



**State of California
Department of Alcoholic Beverage Control**

**Follow-Up Report
To Business, Transportation & Housing Agency
on Performance Metrics**

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Table of Contents

	Page
Section 1 - Workload and Distribution of Resources	3
Section 2 – Licensing	12
Section 3 – Enforcement	20
Section 4 - Grant Assistance Program	40
Section 5 - National Comparisons	47
 Appendix	
A – Investigator Separations from District Offices	63
B – Activity vs. Cost Matrix	65

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SECTION 1 - WORKLOAD AND DISTRIBUTION OF RESOURCES

Workload

ABC's headquarters is located in Sacramento. The state is divided into two divisions—northern and southern. Within each division are a number of district offices. In three sparsely-settled areas, district offices have smaller branch offices. There are 9 districts in northern division and 12 in southern. There is also an Administrative Hearing Office in Sacramento. The 24 district and branch offices serve a population base ranging from 256,760 for the Yuba City branch to 2,893,100 in Santa Ana District Office. Population density per square mile ranges from 18 persons in Redding District Office to 3,685 in the Santa Ana District Office. Figure 1 depicts demographics by office.

District Office	Population ¹	Square Miles	Population per Square Mile	Total Licenses ²
Bakersfield	699,850	21,370	33	1,719
El Monte	1,943,222	4,079	476	3,426
Eureka	155,950	4,603	34	526
Fresno	1,453,700	14,425	101	3,081
Inglewood	1,943,222	4,079	476	3,033
LA/Metro	1,943,222	4,079	476	2,771
LB/Lakewood	1,943,222	4,079	476	2,822
Oakland	2,830,200	2,495	1134	5,362
Rancho Mirage	1,349,000	32,005	42	1,599
Redding	578,000	30,999	19	1,733
Riverside	2,120,000	27,407	77	4,188
Sacramento	1,859,670	6,689	278	4,226
Salinas	722,500	5,161	140	1,983
San Diego	1,856,300	4,281	434	3,223
San Francisco	1,505,400	622	2420	5,121
San Jose	1,709,500	1,316	1299	3,332
San Luis Obispo	450,000	6,071	74	1,364
San Marcos	1,000,000	4,281	234	1,760
Santa Ana	2,893,100	785	3685	4,990
Santa Barbara	971,400	4,609	211	2,281
Santa Rosa	987,200	7,232	137	5,226
Stockton	1,356,100	9,755	139	3,057
Van Nuys	1,943,222	4,079	476	3,350
Yuba City	256,760	4,353	59	716

Figure 1 – Demographics by District Office

¹ Based on the 2000 U.S. Census

² Includes retail and non-retail licenses

As of June 30, 2003 there were 74,004 active licenses, including retail and non retail. This figure includes caterer's permits, controlled access cabinet permits, etc., and others that are considered "duplicate" licenses for existing "master" licenses at a given establishment. Figure 2 shows a trend analysis of the active licenses over the last ten years, with the number of active licenses rising steadily each year since 1996-97.

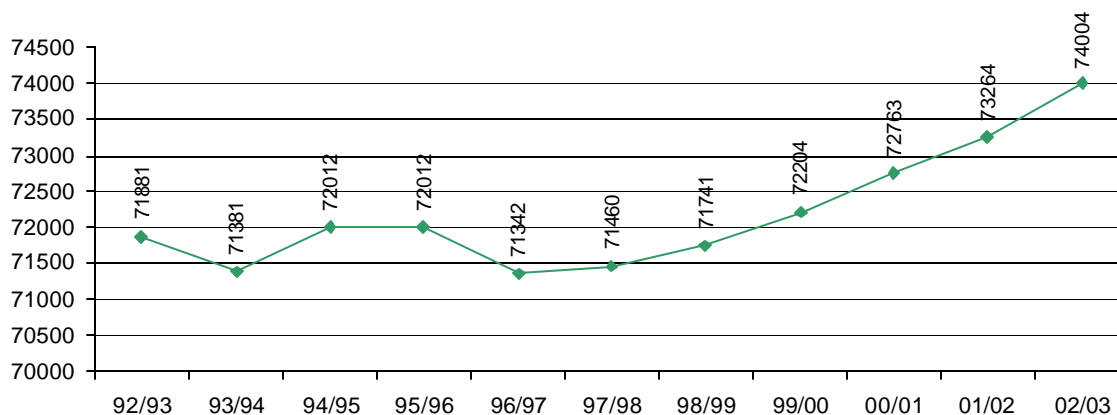


Figure 2 – Active Licenses³

In FY 2002-03, the district and branch offices issued 39,145 special event licenses.⁴

The number of license applications received, shown in Figure 3, has remained fairly stable over the last ten years.

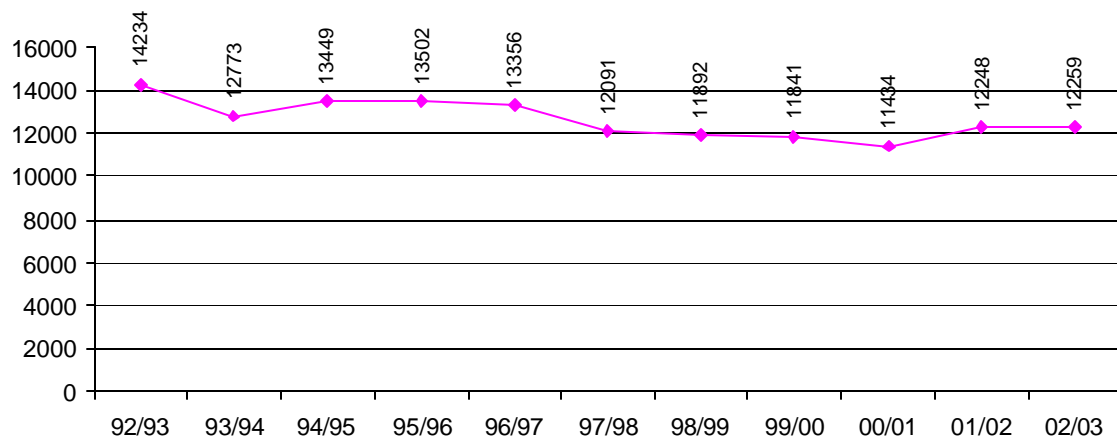


Figure 3 – License Applications Received⁵

³ Includes retail and non-retail licenses, caterer's permits, etc.

⁴ Includes the most common types of licenses for special events: Special Daily Beer, Special Daily Beer and Wine, Daily On-Sale General and Catering Authorizations.

⁵ Permanent license applications, dropping partner applications and corporate change applications.

Budget

The FY 2003/04 adjusted support budget as shown in FY 2004/05 Governor's Budget is \$40,815,000 of which \$31,400,000 is Personal Services and \$9,415,000 is Operating Expenses. The FY 2003/04 estimated ABC Fund license revenue is \$39,785,000. The estimated revenue for "POIC's" (petition for offer in compromise; i.e., fines) is \$2,338,000, which goes into the State's General Fund.

Staffing

Figure 4 depicts authorized staffing levels for sworn staff members over the past 10 years and how they have not increased correspondingly with the increase in number of active licenses. The lower staffing figures in 1992-93 through 1994-95 are a result of layoff flight due to the budget crisis during that time. There is also a high turnover in some offices. See Appendix A.

As Figure 4 shows ABC had 468.78 authorized positions as of March 1, 2004. This includes 138.75 clerical and technical support, 35 administrative support, 3 assistant directors, 3 deputy division chiefs, 21 district administrators, 38 supervising investigators, 176 investigators, 45 licensing representatives and 10 attorneys.

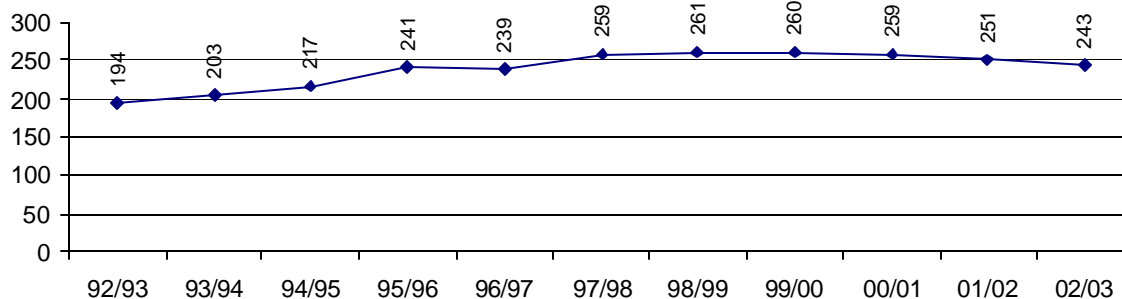


Figure 4 – Staffing Levels (Authorized Positions)⁶

Figure 5 shows the ratio of licenses to staffing levels. Licenses as shown on Figure 5 do not include ancillary licenses such as caterer's permits.

⁶ Includes all sworn staff plus three assistant directors.

District Office	District Administrators	Supervising Investigators	Investigators	Licensing Representatives	Retail Licenses	Non-Retail Licenses	Ratio of Retail Licenses to Staff
Bakersfield	0	1	4	0	1,695	24	424
El Monte	1	2	6	3	3,328	98	370
Eureka	0	0	1	0	499	27	499
Fresno	1	1	6	2	3,000	81	375
Inglewood	1	2	6	3	2,951	82	328
LA/Metro	1	2	8	3	2,696	75	245
LB/Lakewood	1	1	7	3	2,727	95	273
Oakland	1	2	8	4	5,111	251	426
Rancho Mirage	0	1	3	1	1,581	18	395
Redding	0	1	3	1	1,686	47	422
Riverside	1	2	8	2	4,108	80	411
Sacramento	1	2	6	3	4,037	189	449
Salinas	0	1	3	0	1,817	166	606
San Diego	1	2	6	3	3,169	54	352
San Francisco	1	2	8	2	4,914	207	491
San Jose	1	1	6	3	3,199	133	355
San Luis Obispo	0	0	3	0	1,095	269	365
San Marcos	0	1	4	1	1,703	57	341
Santa Ana	1	3	13	3	4,862	128	304
Santa Barbara	0	1	5	0	2,171	110	434
Santa Rosa	1	2	8	3	3,365	1,861	306
Stockton	1	1	6	2	2,876	181	360
Van Nuys	1	2	7	2	3,240	110	360
Yuba City	0	0	2	1	697	19	232
Totals	15	33	137	45	66,527	4,362	366
Ratios determined using investigators plus licensing representatives							
3/12/2004							

Figure 5 – Licenses versus Staffing Levels (Authorized Positions)

	Clerical/ Technical Support	Administrative Support	Asst Director	Deputy Division Chief	District Administrator	Supervising Investigator	Investigator	Licensing Representative	Attorney	Total
Headquarters	37.00	27.00	1.00	0.00	1.00	0.00	2.00	0.00	4.00	72.00
Adm Hearing Office	3.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00
LEAD Unit	1.00	0.00	0.00	0.00	1.00	0.00	4.00	0.00	0.00	6.00
BP Unit North	1.00	0.00	0.00	0.00	1.00	1.00	3.00	0.00	0.00	6.00
BP Unit South	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00	2.00
No Division SOU	0.00	0.00	0.00	0.00	1.00	2.00	9.00	0.00	0.00	12.00
So Division SOU	1.00	0.00	0.00	0.00	1.00	1.00	10.00	0.00	0.00	13.00
Northern Division	3.00	0.00	1.00	1.00	0.00	0.00	5.00	0.00	0.00	10.00
Fresno	2.00	0.00	0.00	0.00	1.00	1.00	6.00	2.00	0.00	12.00
Oakland	6.00	0.00	0.00	0.00	1.00	2.00	8.00	4.00	0.00	21.00
Redding	1.75	0.00	0.00	0.00	0.00	1.00	3.00	1.00	0.00	6.75
Sacramento	5.00	0.00	0.00	0.00	2.00	2.00	6.00	3.00	0.00	18.00
Salinas	2.00	0.00	0.00	0.00	0.00	1.00	3.00	0.00	0.00	6.00
San Francisco	7.00	0.00	0.00	0.00	1.00	2.00	8.00	2.00	0.00	20.00
San Jose	4.00	0.00	0.00	0.00	1.00	1.00	6.00	3.00	0.00	15.00
Santa Rosa	6.00	0.00	0.00	0.00	1.00	2.00	8.00	3.00	0.00	20.00
Eureka	0.50	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.50
Stockton	3.00	0.00	0.00	0.00	1.00	1.00	6.00	2.00	0.00	13.00
Yuba City	1.50	0.00	0.00	0.00	0.00	0.00	2.00	1.00	0.00	4.50
No Division Total	41.75	0.00	1.00	1.00	8.00	13.00	62.00	21.00	0.00	147.75
Southern Division	3.00	1.00	1.00	2.00	0.00	1.00	4.00	0.00	6.00	18.00
Bakersfield	2.00	0.00	0.00	0.00	0.00	1.00	4.00	0.00	0.00	7.00
El Monte	5.00	0.00	0.00	0.00	1.00	2.00	6.00	3.00	0.00	17.00
Inglewood	5.00	0.00	0.00	0.00	1.00	2.00	6.00	3.00	0.00	17.00
LA/Metro	5.00	0.00	0.00	0.00	1.00	2.00	8.00	3.00	0.00	19.00
LB/Lakewood	5.00	0.00	0.00	0.00	1.00	1.00	7.00	3.00	0.00	17.00
Rancho Mirage	2.00	0.00	0.00	0.00	0.00	1.00	3.00	1.00	0.00	7.00
Riverside	6.00	0.00	0.00	0.00	1.00	2.00	8.00	2.00	0.00	19.00
San Diego	5.00	0.00	0.00	0.00	1.00	2.00	6.00	3.00	0.00	17.00
San Marcos	2.00	0.00	0.00	0.00	0.00	1.00	4.00	1.00	0.00	8.00
Santa Ana	6.00	0.00	0.00	0.00	1.00	3.00	13.00	3.00	0.00	26.00
Santa Barbara	2.00	0.00	0.00	0.00	0.00	1.00	5.00	0.00	0.00	8.00
San Luis Obispo	1.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00	0.00	4.00
Van Nuys	5.00	0.00	0.00	0.00	1.00	2.00	7.00	2.00	0.00	17.00
So Division Total	54.00	1.00	1.00	2.00	8.00	21.00	84.00	24.00	6.00	201.00
Statewide Total	138.75	34.00	3.00	3.00	21.00	38.00	176.00	45.00	10.00	468.75
As of 03/01/04										

Figure 6 – ABC Staffing by Location (Authorized Positions)

Distribution of Resources

The core functions of ABC are licensing, compliance/enforcement, and administration. About 50% of ABC's resources are devoted to its *licensing* mandate. Investigators and all licensing representatives investigate applications for licenses. Excluding local assistance,⁷ about 50% of ABC's resources are devoted to its *enforcement/compliance* mandate. Investigators investigate and make arrests for violations of the Alcoholic Beverage Control Act and Penal Code that occur on or about licensed businesses.

In addition to the 24 district and branch offices, the Department has specialized units that conduct enforcement/compliance activities. Figure 6 depicts each office and specialized unit and the number of staff members by broad classifications.

The *Business Practices Unit* investigates trade practices violations committed by the industry such as commercial bribery, payola, illegal merchandising and advertising activities, exclusionary and predatory marketing practices and prohibited business practices between suppliers and retailers and between suppliers or retailers and the consumer.⁸

The *Special Operations Unit* is a statewide enforcement strike force that targets disorderly premises, underage drinking, major violator investigations, field enforcement, interagency law enforcement task forces, and enforcement at special events.

The *Grant Assistance Program* provides grants, liaison support, and training to local law enforcement agencies.

Finally, investigators assigned to the *Licensee Education on Alcohol and Drugs Program* travel throughout the state providing training to retail licensees on serving alcohol safely, responsibly, and legally.

Staffing decisions at the *headquarters and division level* are based mainly upon workload and population factors. The Department uses the most recent Department of Finance demographic projections in its staffing decisions. The locations of the district and branch offices have changed little over the years. Decisions about where to locate an office have been based not only on the population and workload, but as a convenience for the public—to eliminate extensive travel. This is true of the Redding District Office and other rural offices. The Department is currently looking at office consolidations as

⁷ Grants given to local law enforcement to fight alcohol-related crime, approximately \$1.5 million per year

⁸ In FY 2002-03, the Department collected \$217,092 in Business Practices revenue. This is a fee collected at the time of license application on certain license types (including Type 21 liquor stores), which goes into the Alcoholic Beverage Control Fund (and not the General Fund) to support the Business Practices Unit.

reported in our memorandum to Business, Transportation and Housing Agency dated February 20, 2004.

Staffing decisions at the *district and branch office level* are made based upon the makeup of each office (e.g., licensing representatives versus investigators), the geographical factors of the office's jurisdiction, and the skills, abilities and experience of its staff members. For example, an office that has experienced investigators, with little staff turnover, may not need as many investigators as an office with newer investigators or a high turnover rate. There is a fair amount of intra-office transfer of personnel whenever the workload demands, including sworn and civilian (support staff) personnel.

As an example of staff deployment at the district level, Oakland District Office deploys its investigators and licensing representatives in a "community oriented policing" model by dividing the 2,495 square mile jurisdiction into operational zones. Each zone is staffed with teams of investigators and licensing representatives. Investigators conduct both licensing and enforcement in their respective zones while licensing representatives conduct licensing in their respective zones.

Other district offices might assign their staff members to either licensing or enforcement duties throughout their jurisdiction without established zones. Each district office's jurisdiction is unique in the population it serves, political and sociological climate and geography. Examples of two district offices are as follows:

Example – Santa Rosa District Office

In the Santa Rosa Office, the licensing and compliance volume has almost doubled since 1989 and the number of Investigator positions has not kept up with the current demands.

According to District Administrator Michael Mann, the retail license activity in the Santa Rosa District lends itself to a large number of applications for new (original) licenses (as opposed to transfer of an existing license). A new license requires far more time to investigate due to the community input that is required. Mr. Mann states the number of transfers has also increased. He said, "The situation is significant in that the travel time to many of these locations for licensing as well as enforcement assignments and be up to two hours one way. When district assigns Investigators to work enforcement in the Eureka Branch Office, the travel time is four hours one way. These geographical distances have a major impact on the actual time spent on a given assignment due to the travel involved."

Source: Bifurcation Staffing Memorandum from District Administrator Michael Mann dated January 22, 2002

Example – Fresno District Office

Fresno Office serves three counties and 15,000 square miles. In 1990 the population of the region was almost 1.19 million. In 2000 the population climbed to 1.4 million. Fresno County experienced a significant jump from 667,490 in 1990 to 893,000 in 2000 (a 34% increase). The Fresno district operates with 13 persons, including one district administrator, one licensing representative, seven sworn investigators and three support staff. One of the investigators is assigned to administrative tasks such as evidence custodian and audits; the remaining six perform both licensing and enforcement duties.

Fresno's licensing caseload consists of a total monthly average of 48 applications for original and/or premises-to-premises transfers of licenses. This equates to approximately eight (8) applications a month per investigator. In addition, they investigate a variety of miscellaneous licensing assignments of a more complex nature. Likewise, they maintain a varied caseload of enforcement backtrack investigations, and work day, evening and weekend field enforcement shifts. Their field duties consist of investigating public complaints, assisting police agencies (with investigations, inspections, and decoy operations, etc.), participating in multi-agency task forces, attending community events (such as neighborhood watch meetings, health fairs, job fairs, *Every 15 Minutes* Programs, to name a few), and conducting training for licenses, law enforcement, citizen's academies, and schools.

Source: Bifurcation Staffing Memorandum from District Administrator Christine Weldon dated February 5, 2002

Plan to Create Staffing Efficiencies

Bifurcation Proposal. The Department is proposing to reclassify 27 Investigator positions to the non-sworn Licensing Representative (LR) series. The use of the LR class to handle the less complex applications will improve the morale of the sworn employees, provide better customer service, and achieve savings in retirement, training and equipment costs. When fully implemented, the Department estimates potential annual savings of \$230,000 from reduced salaries, retirement contributions and current peace officer training and equipment costs. However, implementing this proposal will require a hiring freeze and SROA/Surplus employee procedural exemptions from the Departments of Finance and Personnel Administration. Until such time as the Department may be fully bifurcated, district offices have investigators who may do some or no licensing investigations.

Streamlining Committees. The Department has formed cross-functional teams of clerical, technical, investigative and supervisory employees for both headquarters and district offices to identify ways to improve and streamline our operations. These committees are presently gathering information and analyzing our policies and procedures with the goals of simplifying forms and eliminating extra tasks and unnecessary requirements. Initial recommendations from these committees are expected within 60 days.

Office Consolidation. The Department is presently analyzing existing lease contracts for its 24 district and branch offices and exploring opportunities to consolidate those offices where cost savings and improved efficiencies can be realized without dramatically reducing customer service levels and processing

timelines. We have shared lease information and costs for our Inglewood and Los Angeles/Metro offices with BT&H Deputy Secretary Jorge Jackson and our recommendations on lease options should be completed within 90 days.

Expanded Automation. All Department operations, including licensing, are hindered by the current inadequate California Alcohol Beverage Information Network (CABIN) system and obsolete supporting infrastructure. ABC's infrastructure contains a large proportion of Macintosh computers that are more than eight years old. The Department is in the process of replacing this system, with completion expected in FY 2005/06.

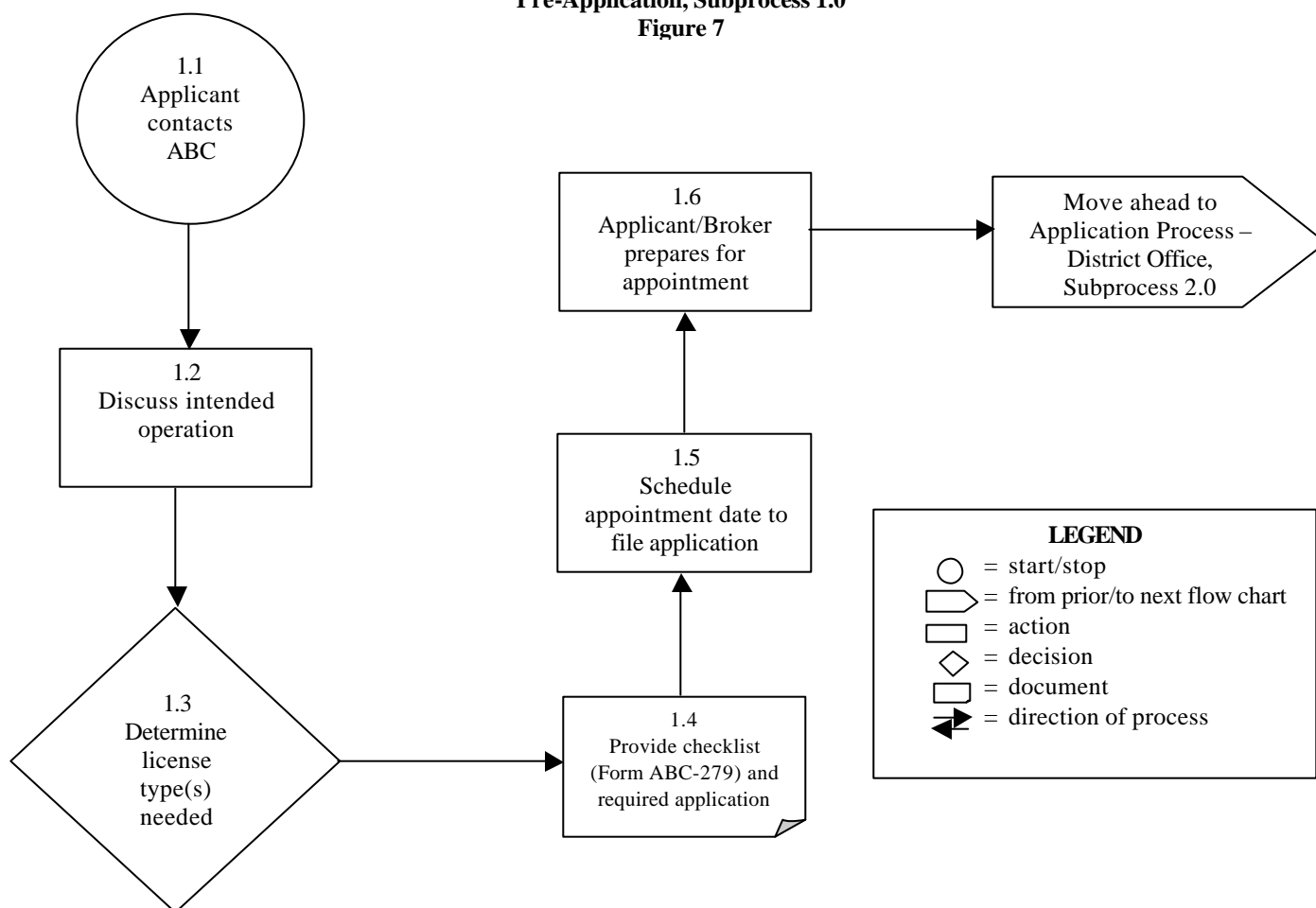
Additional Information. Two independent staffing studies were conducted, which may provide additional insight into the systems and prior organizational culture at ABC. One was completed in the early 1980's by Jerome Rabow, J.D. and Ruth Johnson-Alatorre, under a contract with the then Department of Alcohol and Drug Abuse. The other was conducted by Arthur Young and the findings are contained in the *Final Report on the DABC Staffing Study* dated January 1982. In addition, the *Licensing and Compliance System Feasibility Study Report* dated December 19, 2003 by Gartner reports on the Department's information technology processes.

SECTION 2 - LICENSING

1.0 Application Process. Pre-Application (Figure 7) (Contact made by Telephone, Internet or in Person)

- 1.1 Applicant contacts ABC
- 1.2 Discuss intended operation with applicant/broker
- 1.3 Determine license type(s) needed
- 1.4 Provide ABC-279 (checklist will indicate what forms are required for their intended mode of operation), forms can either be mailed or downloaded from our Website
- 1.5 Schedule appointment date to file application
- 1.6 Applicant or his/her broker prepares for appointment

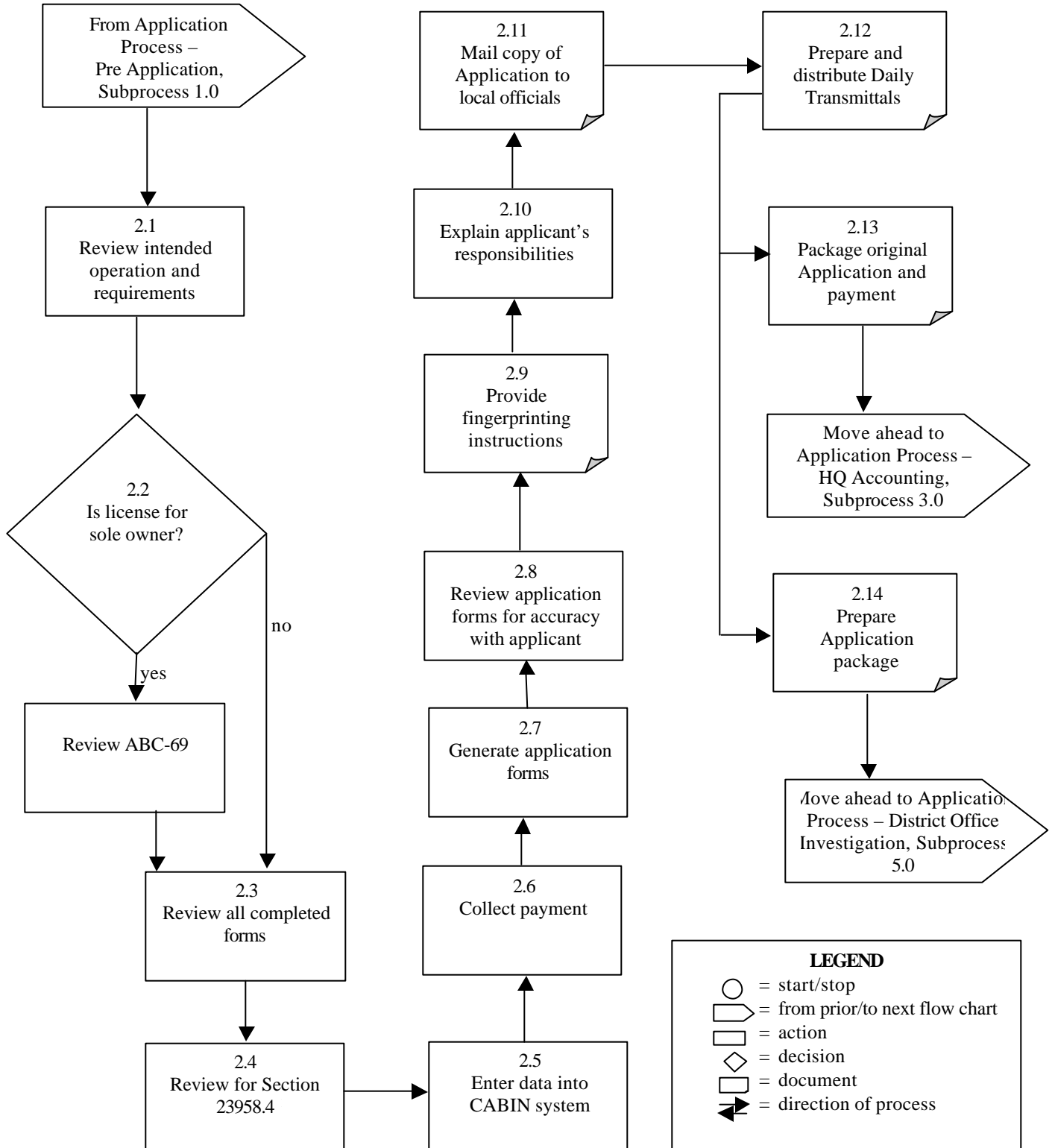
**Application Process
Pre-Application, Subprocess 1.0
Figure 7**



2.0 Application Process. District Office (Figure 8)
(30-60 Minutes)

- 2.1 Review intended operation/requirements
- 2.2 If the applicant is a sole owner, review the ABC-69 Statement of Citizenship, Alienage and Immigration Status with the applicant
- 2.3 Review all completed forms with applicant. Obtain/verify signatures
- 2.4 Look up Section 23958.4 statistics (over-concentration and high crime, will determine if applicant will have to prove “public convenience or necessity in order to get the license)
- 2.5 Enter information into CABIN system on the License Application Screen (name of applicants, premises address, mailing address, doing business as, transfer information if required, type of license(s), types of transactions to calculate fees, issue a temporary permit if needed), the system assigns a pending license number to each new application
- 2.6 Once fees are calculated, collect payment
- 2.7 The system can auto-generate several of the required application forms (ABC-211 Application, ABC-280 Temporary Permit, ABC-293 Affidavit of Posting, ABC-223 Conditional License, ABC-207A & ABC-207B Publication Forms, ABC-207D Transfer Publication, ABC-207F Declaration by Mail, ABC-220 Report on Application for License, and ABC-226 Consideration Deposited into Escrow)
- 2.8 Review ABC-211 and supporting documents with applicant for accuracy, depending on the type of transactions, additional documents may be required
- 2.9 Applicants are directed to have their fingerprints submitted via Live Scan and a list of the Live Scan facilities are given to each applicant (Fingerprints cards are used in cases of out of state applicants or out of country applicants); the response time from Department of Justice is approximately 2 to 4 hours. There may be delay due to pending or past disciplinary action or if the applicant has a common name
- 2.10 Explain applicant’s responsibilities (i.e. posting notice, posting affidavit, voluntary LEAD training, publication), and also provide the applicant with general information pamphlets
- 2.11 Mail copy of Application and signature(s) pages to local officials for notification purposes
- 2.12 Prepare Daily Transmittals for subscribers, Headquarters Licensing, the Licensing Supervisor and Headquarters Accounting
- 2.13 Original Application and required documents with check(s) to be transmitted to Headquarters Accounting
- 2.14 Prepare Application package for Licensing Supervisor to assign to an investigator or licensing representative for investigation

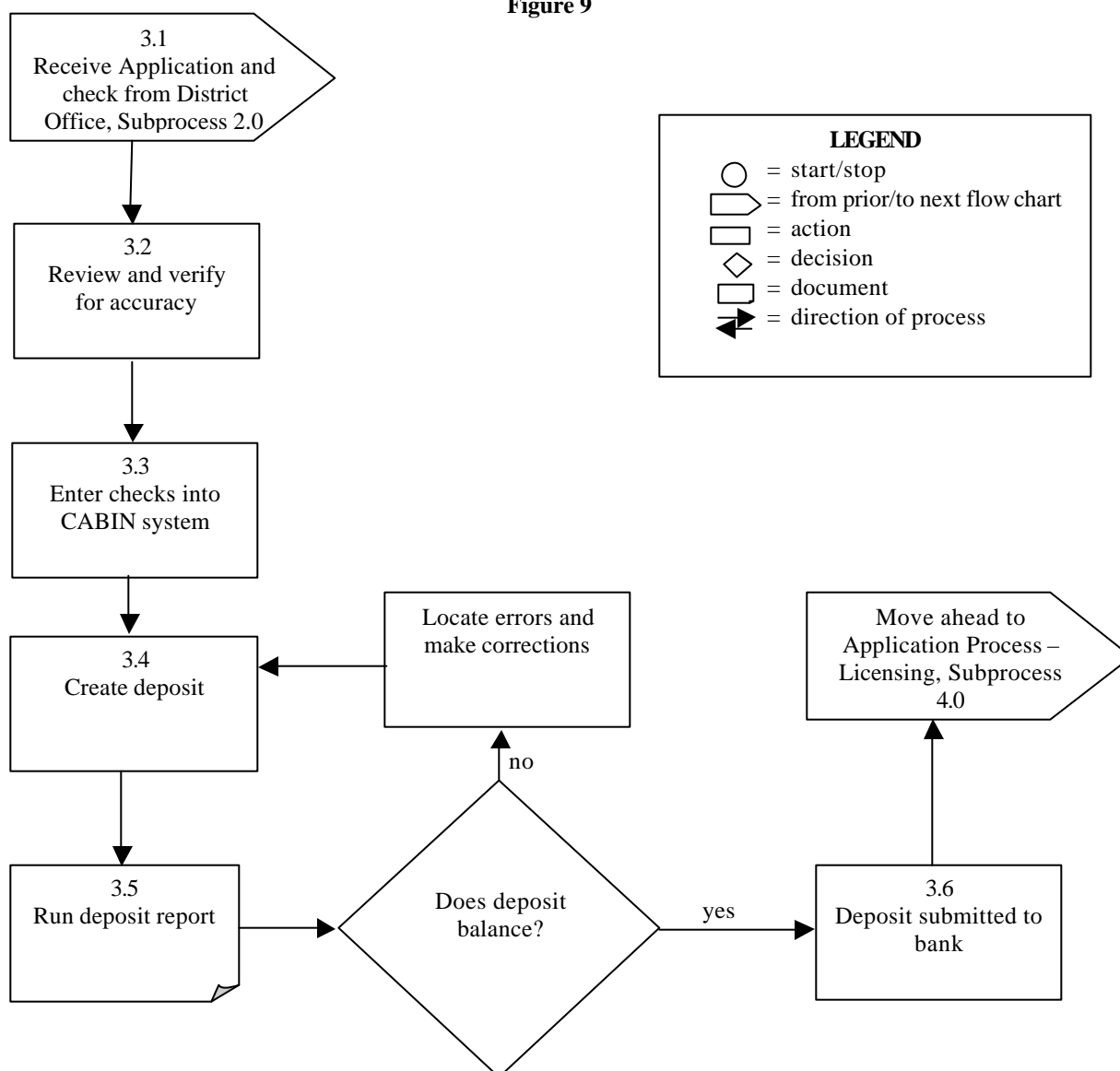
**Application Process
District Office, Sub-Process 2.0
Figure 8**



3.0 Application Process. Headquarters Accounting (Figure 9)

- 3.1 Receipt of Application Package and District Daily Transmittal Report of Collections by Headquarters Accounting
- 3.2 Reviews and verifies checks and documents for accuracy
- 3.3 Enters these checks in batch form into our CABIN system.
- 3.4 Once encoded into CABIN, the checks can then be selected for deposit. Batches are then forwarded to the Cashier to prepare the deposit.
- 3.5 A computer report is generated with the deposit summary and if correct, the applications can be forwarded to Licensing (2-8 days, including mail delivery time)
- 3.6 The next day all the prior day's checks are picked up for deposit

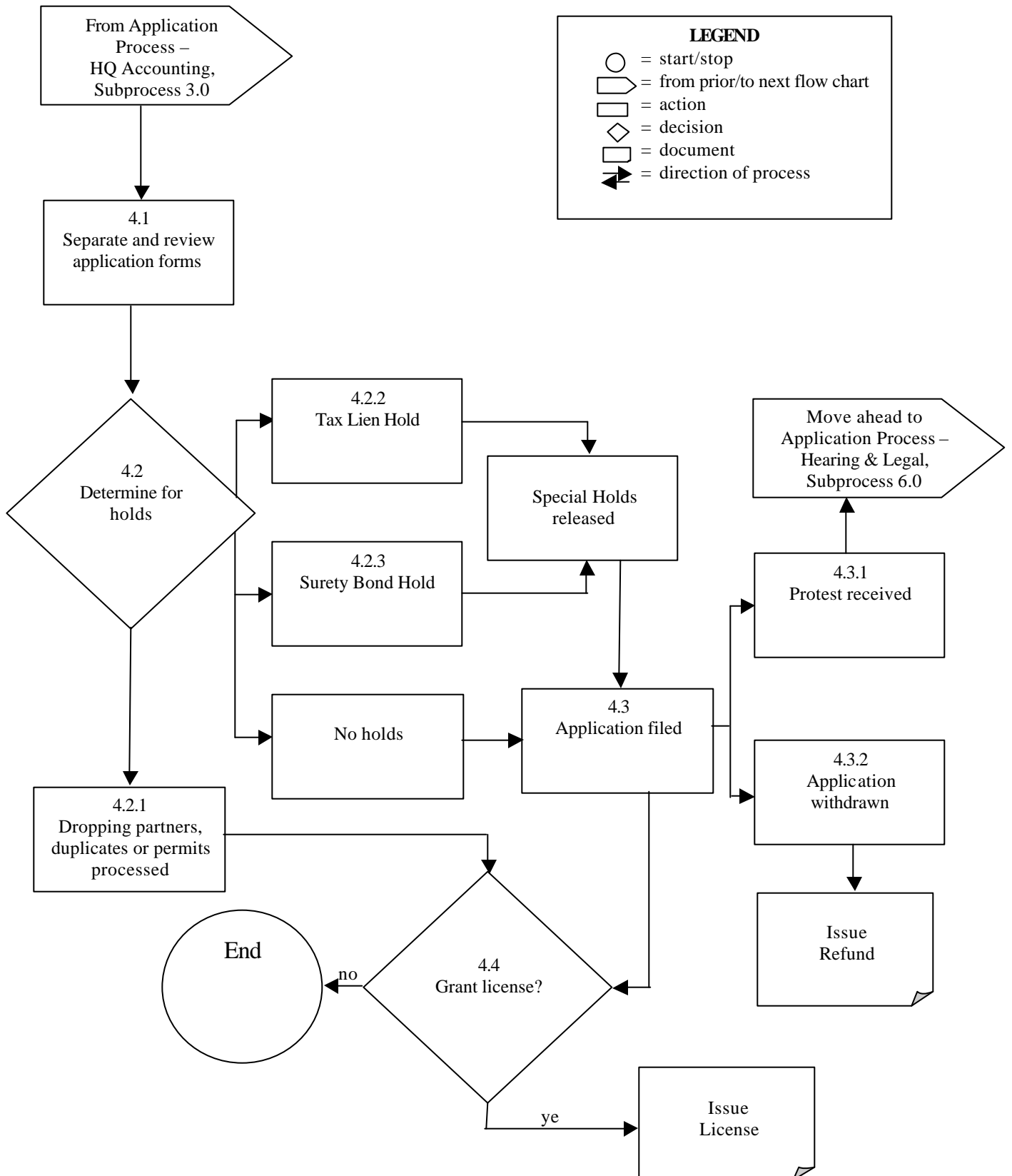
Application Process
HQ Accounting, Subprocess 3.0
Figure 9



4.0 Application Process. Headquarters Licensing (Figure 10)

- 4.1 Upon receipt of the applications, Headquarters Licensing separates and reviews each application and supporting documents for accuracy.
- 4.2 Determine for holds
 - 4.2.1 All dropping partner applications, duplicate licenses or permits that are to issue forthwith are processed for issuance.
 - 4.2.2 All transfers applications that involve moratorium type 20 (Off-Sale Beer and Wine) licenses or type 21 (Off-Sale or On-Sale General) license applications are reviewed for tax liens; if applicable, the appropriate taxing agency is notified of the pending transfer.
 - 4.2.3 Several types of licenses are required to have a surety bond; a copy of the application with the signature pages will be mailed to the Excise Tax Unit. This enables the Excise Tax Unit to start the surety bond application process.
- 4.3 The applications are then filed until either one of the following applies:
 - 4.3.1 If a protest is received by Hearing & Legal, the protest is logged and Hearing & Legal requests the application from Licensing.
 - 4.3.2 If an ABC-209 (Application Withdrawal) is received, the application is then pulled, status updated from pending to “wdrl” and then submitted for refund.
- 4.4 ABC-220 report indicates “approve issuance” by all reviewers and all documents, fees, tax liens and holds are cleared, then the application package is set up for issuance the next morning (24-hour process)

Application Process
Licensing, Subprocess 4.0
Figure 10



5.0 Application Process. District Office Investigation (No flow chart)

- 5.1 Licensing Supervisor receives Application package and reviews package for completeness and errors
- 5.2 Supervisor assigns to an Investigator or Licensing Representative and notes control log
- 5.3 Investigator or Licensing Representative receives Application package
 - 5.3.1 Prepares work file
 - 5.3.2 Attaches licensing investigation status report (ABC-229)
 - 5.3.3 Checks off items that apply, reviews documents for accuracy and completion; requests additional documents
- 5.4 Prepares report of investigation (ABC-220)
 - 5.4.1 Person to Person Transfers (local governing body could request additional conditions, they have 40 days in which to respond): pulls transferor's file to review (Investigation takes 45-60 days)
 - 5.4.2 Original Applications-P C or N not required: visit premises, checks posting notice, inspects surrounding area, takes measurements, contacts residents (Investigation takes 60-90 days)
 - 5.4.3 Original Applications-P C or N is applicable (local governing bodies have up to 90 days to render a decision): visits premises, checks posting notice, inspects surrounding area, takes measurements, contacts residents (Investigation takes 90-120 days)
 - 5.4.4 Original Applications-Protested: visits premises, checks posting notice, inspects surrounding area, takes measurements, contacts residents and protestants, prepares map (Investigation takes 120-180 days)
- 5.5 Package investigative report and submit report with recommendation of approval or denial to Licensing Supervisor
- 5.6 Licensing Supervisor and District Administrator recommends approval or denial
- 5.7 ABC-220 reports that are protested, recommended for denial, or have complex issues are routed to the appropriate Division Office
- 5.8 After Division makes recommendation of approval or denial, ABC-220 is routed to Headquarters Licensing

6.0 Application Process. Hearing & Legal (No flow chart)

- 6.1 Protests received
 - 6.1.1 Protest is logged into CABIN system
 - 6.1.2 Hearing & Legal (H&L) requests application from Licensing
 - 6.1.3 H&L determines last day protests can be accepted
 - 6.1.4 H&L reviews to determine validity and indicates on protest letter to send protestant(s), applicant(s), attorney(s) and all parties involved
 - 6.1.5 If the protest is rejected at any time during the process, H&L prepares rejection notice and declaration and sends copies to all parties involved
 - 6.1.6 H&L types letters and mails out to appropriate parties
- 6.2 ABC-220 reports for protested and/or denial recommended applications are routed through the Headquarters Licensing and then submitted to H&L

- 6.2.1 Protested Applications – H&L matches ABC-220 with already prepared legal file
- 6.2.2 Protested and/or Denial Recommended – H&L matches ABC-220 with already prepared legal file; a notice of Denial is sent to the applicant indicating they have 10 days from the date of the notice to request a hearing (If no hearing request is received, proceeds to Step 6.12.2)
- 6.3 If the protest is rejected at any time during the process, H&L prepares rejection notice and declaration and sends copies to all parties involved (If hearing is set and protestant or applicant withdraws, H&L sends order re: moot issue to the appropriate parties, proceeds to Step 6.12.2)
- 6.4 H&L assigns registration number and prepares memo to Administrative Hearing Office (AHO) requesting hearing date
- 6.5 AHO calendars hearing date with the Administrative Law Judge (ALJ) and reserves hearing room
- 6.6 H&L prepares hearing notice and sends to appropriate parties
- 6.7 Legal confirms date with respondent(s) and presents Department's position at hearing
- 6.8 H & L processes Proposed Decision from the ALJ and routes to District, Division and appropriate administrative staff, Legal and the Executive Staff to adopt or reject the Proposed Decision
- 6.9 H& L prepares and mails Department's Decision to the appropriate parties
- 6.10 H&L requests transcripts on Department's rejection of Proposed Decision; Legal processes "11517(c) decision" and mails to appropriate parties
- 6.11 If decision is for approval and no appeal has been received, H&L clears application & investigator's report to Licensing (120 to 270 days)
 - 6.11.1 Licensing sets up application for issuance within 24 hours upon receipt of all cleared application and ABC-220 packages
- 6.12 If decision is for denial
 - 6.12.1 Applicant may appeal decision – continues through legal process
 - 6.12.2 Applicant may make no further action – H&L clears application to Licensing for refund

SECTION 3 - ENFORCEMENT/COMPLIANCE

Function

The function of the Enforcement/Compliance Program is to investigate violations of existing laws and educate licensees to prevent violations. As mentioned earlier, investigators are assigned to 24 district offices and specialized units (i.e., Business Practices Unit, Special Operations Unit, Grant Assistance Program and the Licensee Education on Alcohol and Drugs (LEAD) Program).

Steps in the Process

ABC takes disciplinary action against licensees who violate, or whose employees violate, existing laws. ABC provides free, voluntary training to retail licensees to help educate them and avert such violations. The disciplinary process consists of up to 15 steps. (The training process for the LEAD Program is not included in this report.) If ABC has evidence of a violation involving a licensee or a licensed premises, it will file an administrative complaint, called an “accusation.” An accusation, if proven, will lead to the suspension or revocation of the license. The process starts with (a) the reporting of a violation to ABC and subsequent confirmation by ABC, (b) the identification of a violation as a result of an ABC compliance investigation, and/or (c) an investigation conducted by another law enforcement agency.

After an investigation has been completed, the ABC district office evaluates the case and can take one of six different actions, as appropriate. The accusation is the most severe for the licensee. Should an accusation be prepared, a pre-accusation interview will be held with the licensee, an accusation package will be prepared and an administrative hearing will be scheduled. This hearing is followed by action by the ABC Director, and possibly an appeals process that can go to the California Supreme Court, if necessary.

Figures 11-15 depict statistics related to the number of investigations completed based on assignments; the number of accusations filed; the number of warning letters issued to licensees; the number of licensed premises visited by investigators; and the number of related citations and arrests made due to violations.

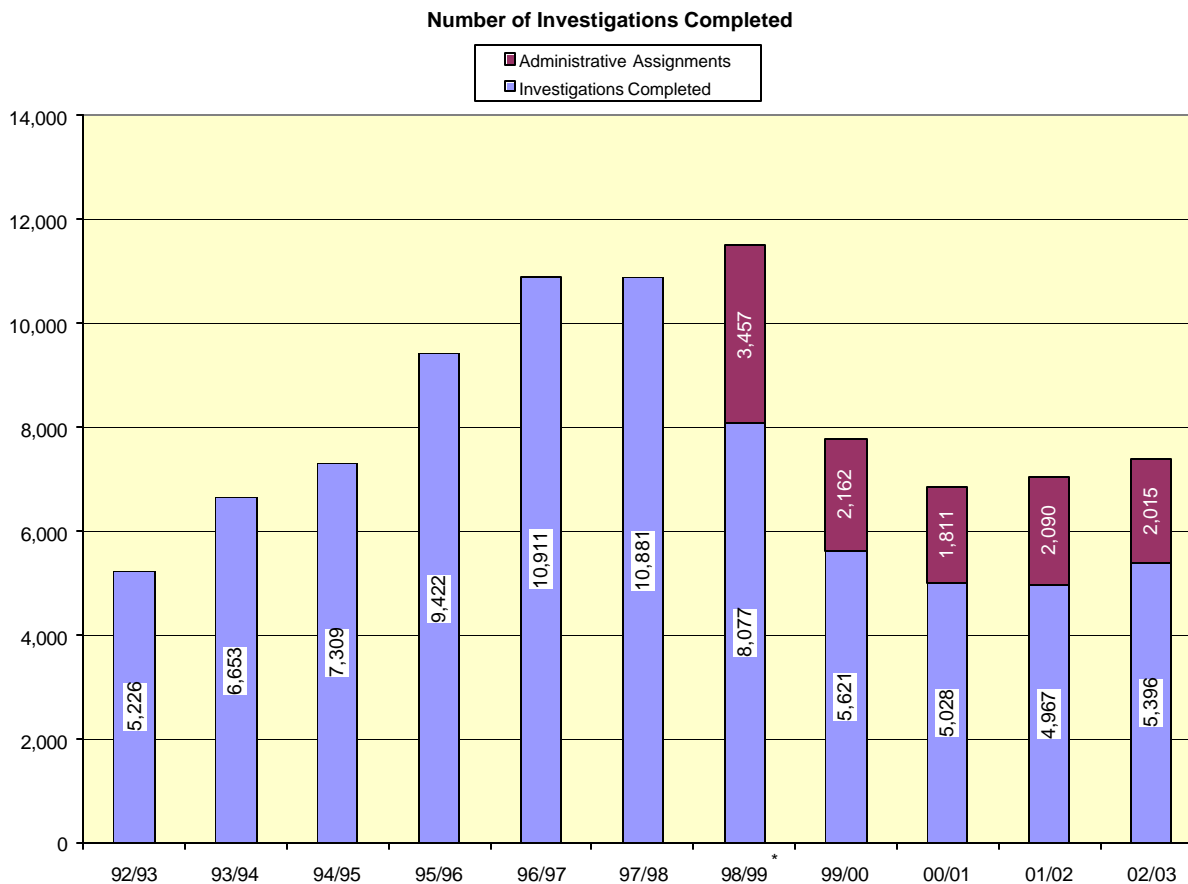


Figure 11. Includes Complaint Investigations, Administrative Assignments, and Police Reports Assigned for Investigation. Source: 12-Month Report. (*) Statistics broken down into two categories effective FY 98/99.

Investigators assigned to Compliance/Enforcement work a variety of assignments. *Complaint investigations* are those which result from someone filing a complaint that a licensed premises is violating the law (e.g., selling alcohol to minors). An *administrative assignment* includes work such as serving subpoenas on witnesses. *Police reports assigned for investigation* are those written police reports ABC receives from a local police or sheriff's department showing that a licensed premises or licensee was involved in a crime. ABC conducts follow-up with the local officer, when needed, to ensure a quality case for administrative filing against the licensee.

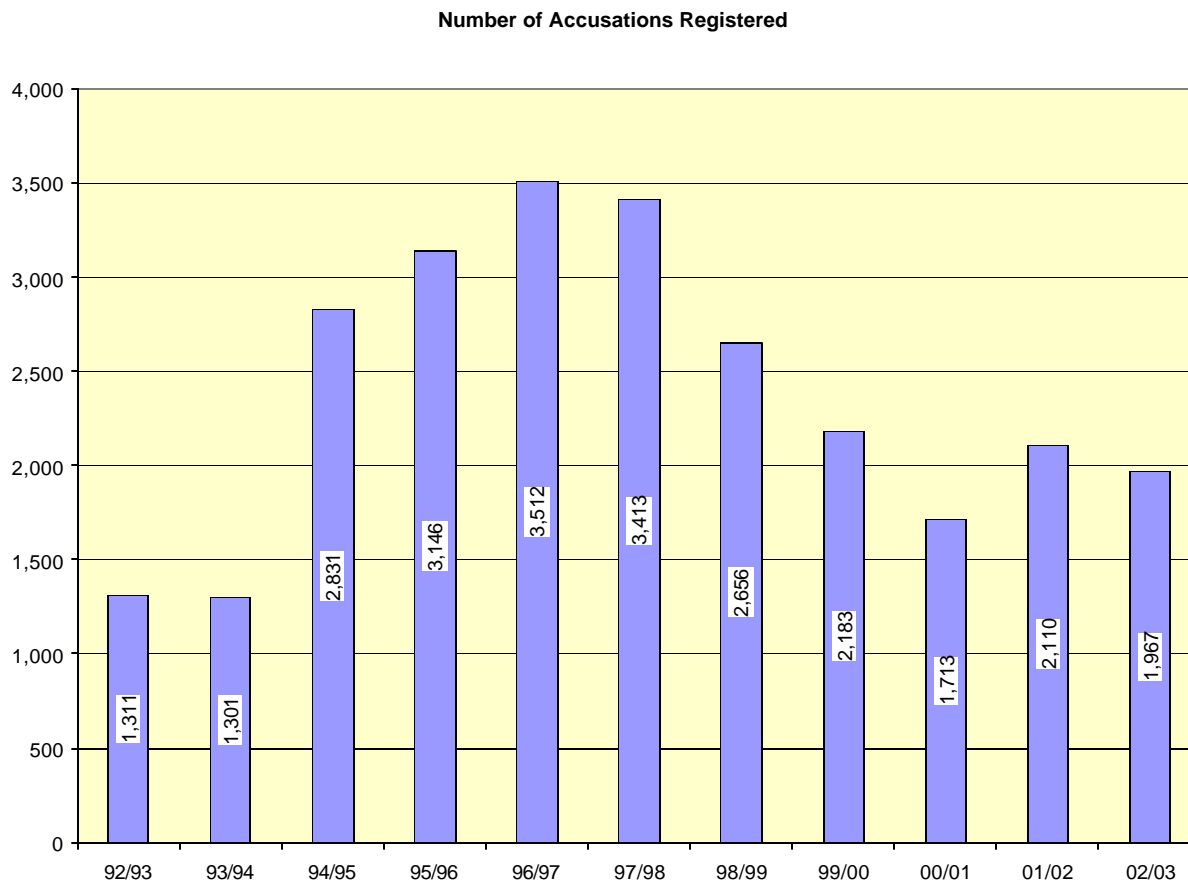


Figure 12. An “accusation” is a formal charge against a licensee that alleges grounds for the suspension or revocation of the license (similar to a complaint in a civil matter). “Registered” means “filed” with the Department. Figure 13 includes all types of violations (e.g., sales to minors, sales to obviously intoxicated persons, etc.) Source: 12-Month Report.

There are a number of factors that have affected the above statistics. Two factors had a particular impact. In 1995 the Department began its Grant Assistance to Local Law Enforcement Program, which resulted in more investigations; thus, more accusations being filed against licensees. Second, in 1994 the California Supreme Court upheld the constitutionality of the Minor Decoy Program after a legal challenge. The two-year hiatus of this program resulted in a backlog of minor decoy accusations that were ready to be registered. Approximately 80% of accusations involve minor decoys. The latest statewide decoy program statistics (July-December 2003) show that after seven continuous years of minor decoy programs, the compliance rate is 84%. This accounts, in part, for the reduced number of accusations being filed since about 80% of all accusations involve minor decoy cases.

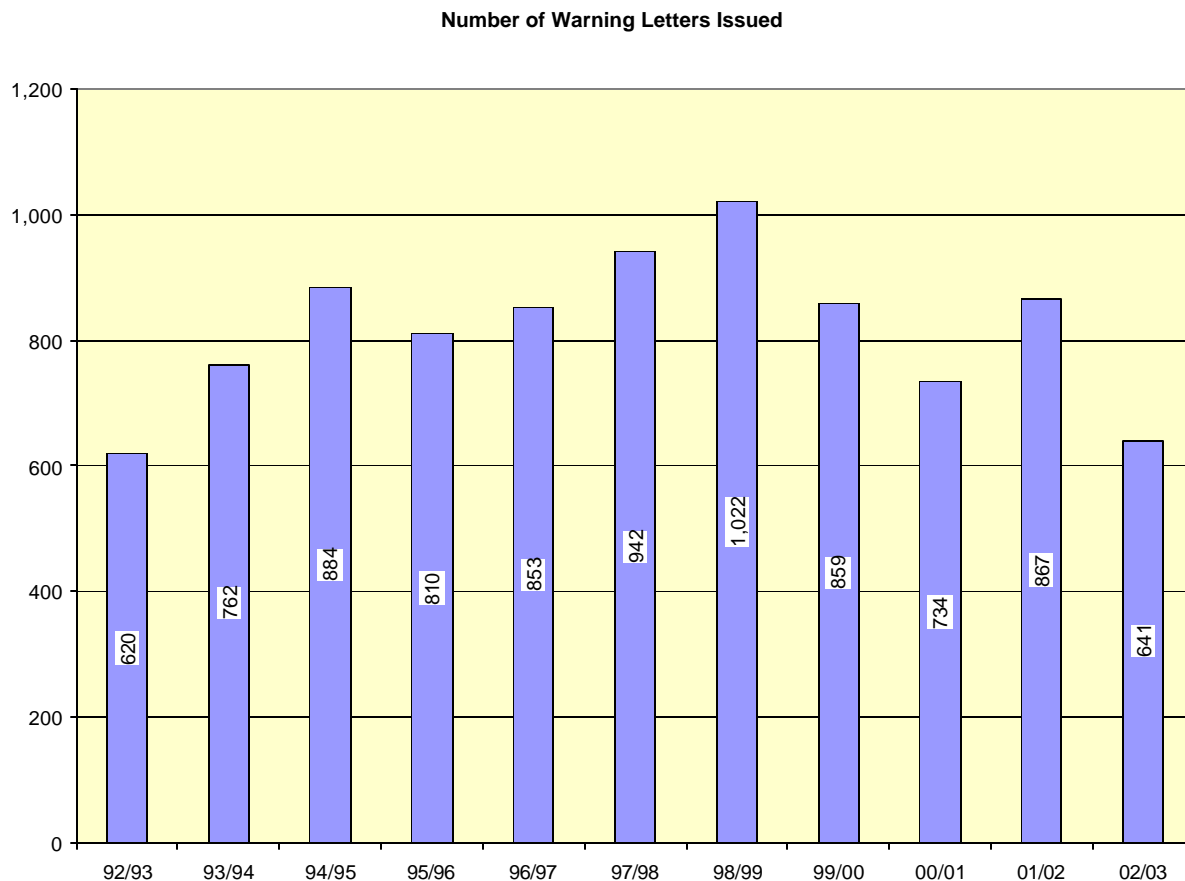


Figure 13. "Warnings" means official letters of warning from the Department to licensees.
Source: 12-Month Report.

The Department may send a warning letter to a licensee when circumstances surrounding a violation are such that a warning letter will achieve the desired effect of compliance and the filing of an accusation might not be in the best interests of justice. In order to be treated as an official warning letter, there must be sufficient evidence that a violation did occur.

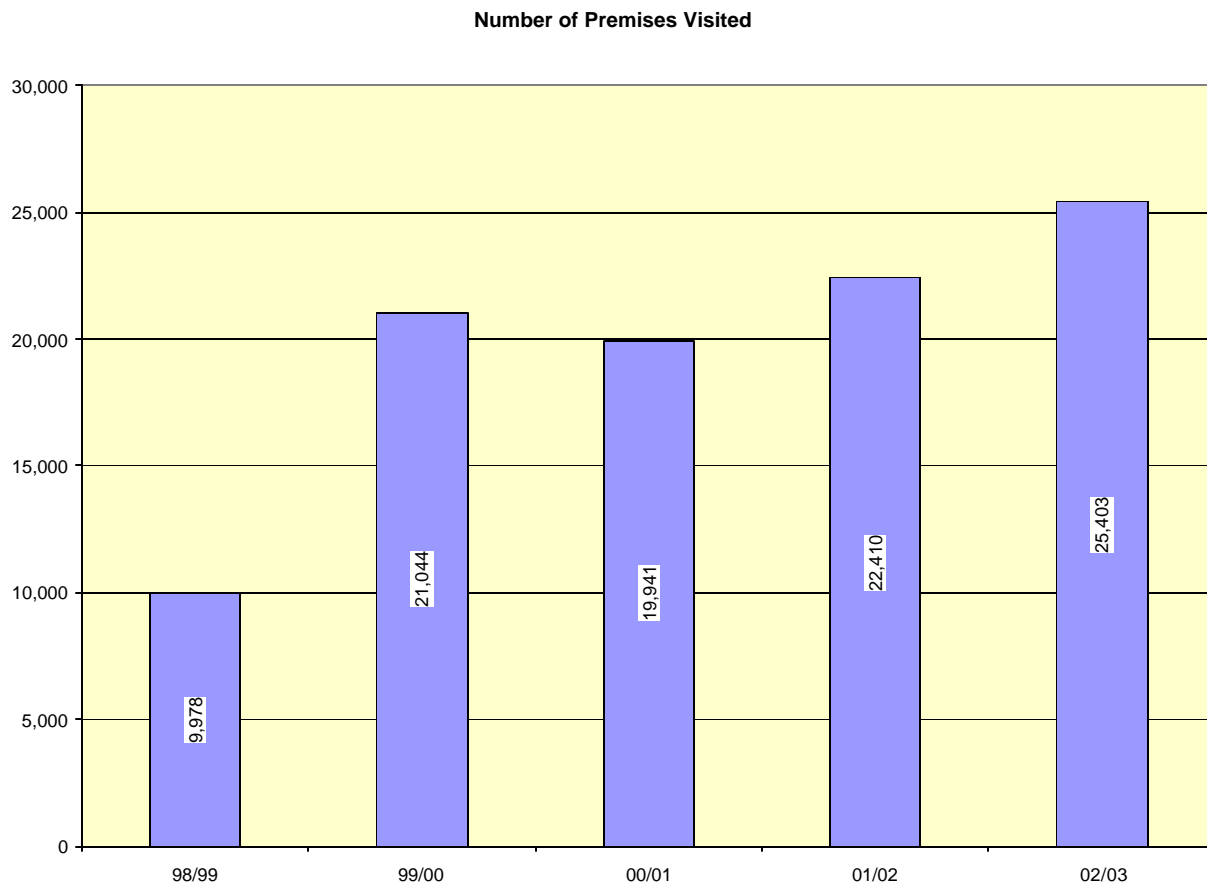


Figure 14. Includes visits by investigators (rank and file sworn personnel) and supervising investigators (sworn supervisors).

Starting in FY 1998/99, the Department began tracking visits to licensed premises by sworn personnel. This was one of the many changes the Department made in its Enforcement Program as a result of an audit by the Bureau of State Audits.

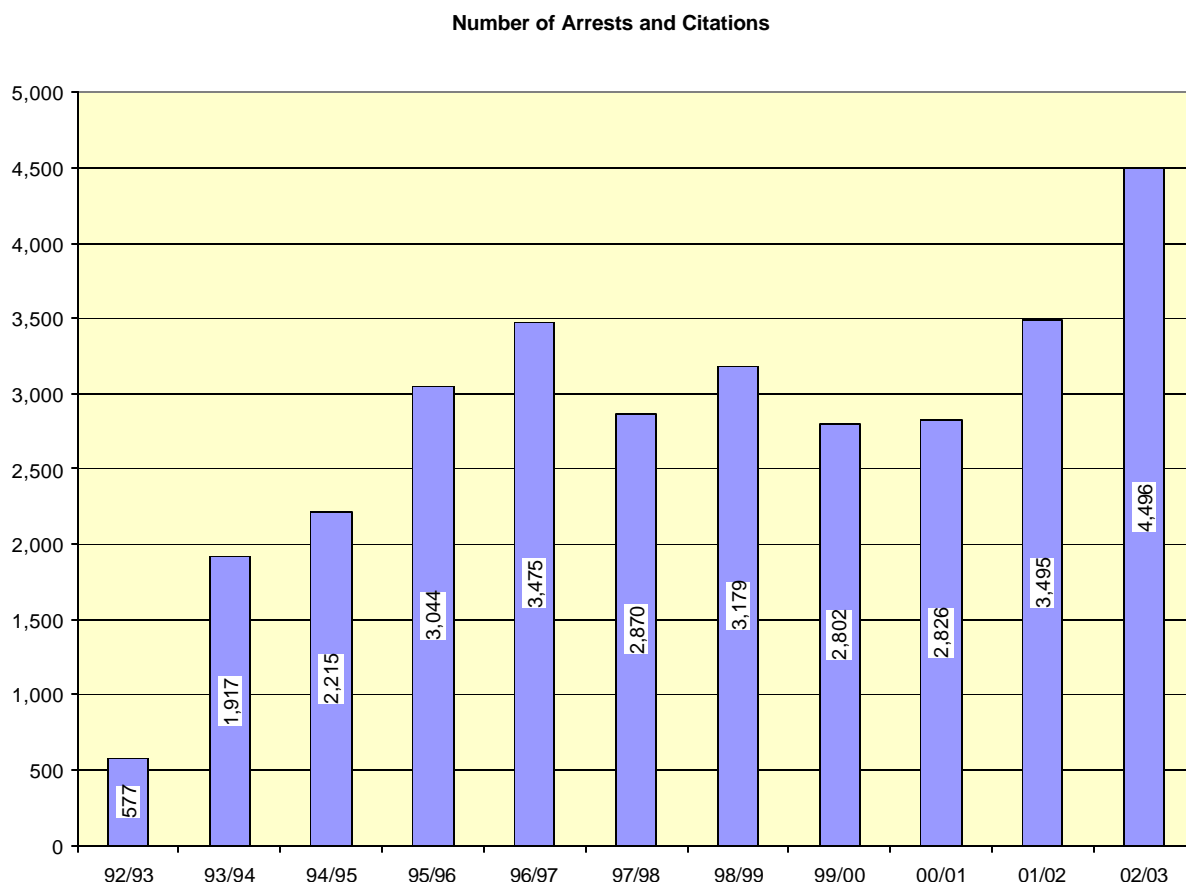


Figure 15. Includes persons physically booked into jail and persons released on their written promise to appear (cited and released), for all types of violations. Includes arrests made by ABC alone and "joint" arrests made with ABC and local law enforcement.

The Department makes the second highest number of arrests each year of any State law enforcement agency. The California Highway Patrol is the only state law enforcement agency that makes more arrests.

Because of substantial fiscal reductions, the Department experienced severe staffing losses in FY 1992/93. This explains the very low number of arrests in that fiscal year since nearly all sworn staff members were deployed to work licensing investigations.

THE ENFORCEMENT/COMPLIANCE PROCESS

Background

State and local law enforcement and licensees all play an important role in preventing alcohol-related problems in our communities. The goal of ABC's disciplinary procedures is to secure voluntary compliance among licensees. Other law enforcement agencies are required by law to notify ABC of any arrest made involving a licensee or a licensed premises.

Administrative Penalties. Any person licensed by ABC, and his employees, must abide by all the laws of the State. If ABC has evidence of a violation involving a licensee or a licensed premises, it will file an administrative complaint, called an accusation. An accusation, if proven, will lead to the suspension or revocation of the license. An accusation is in addition to, and not a substitute for, possible criminal and civil penalties that local city and district attorneys may bring against the licensee or employee who committed the violation.

Criminal Penalties. These penalties can result from violations that are criminal offenses. For example, the sale or service of alcoholic beverages to a minor or an obviously intoxicated person is not only grounds for an accusation, but constitutes a criminal offense. Thus, the seller/server could be arrested, charged with a crime, and face a fine, community service work or imprisonment in county jail.

Civil Penalties. These are money judgments and penalties resulting from a lawsuit or a permanent injunction. For example, Section 25601.1 provides for civil liability against a licensee or any person who sells, serves or furnishes alcohol to an obviously intoxicated minor. As another example, a local district or city attorney may bring an injunction against a licensee in cases such as a public nuisance. ABC may also seek an injunction against a licensee for ongoing violations by sending its request to the Attorney General, who files in the local Superior Court. ABC may also seek injunctive relief in aggravated cases when there have been prior, recent, similar violations and/or there is a pending accusation involving similar violations.

Steps in the Process

There are 15 key processes in ABC's disciplinary process as shown in Figure 16. They focus on the *administrative* side of enforcement/compliance. The processes associated with *criminal and civil penalties* are set by the local county's presiding Superior Court.

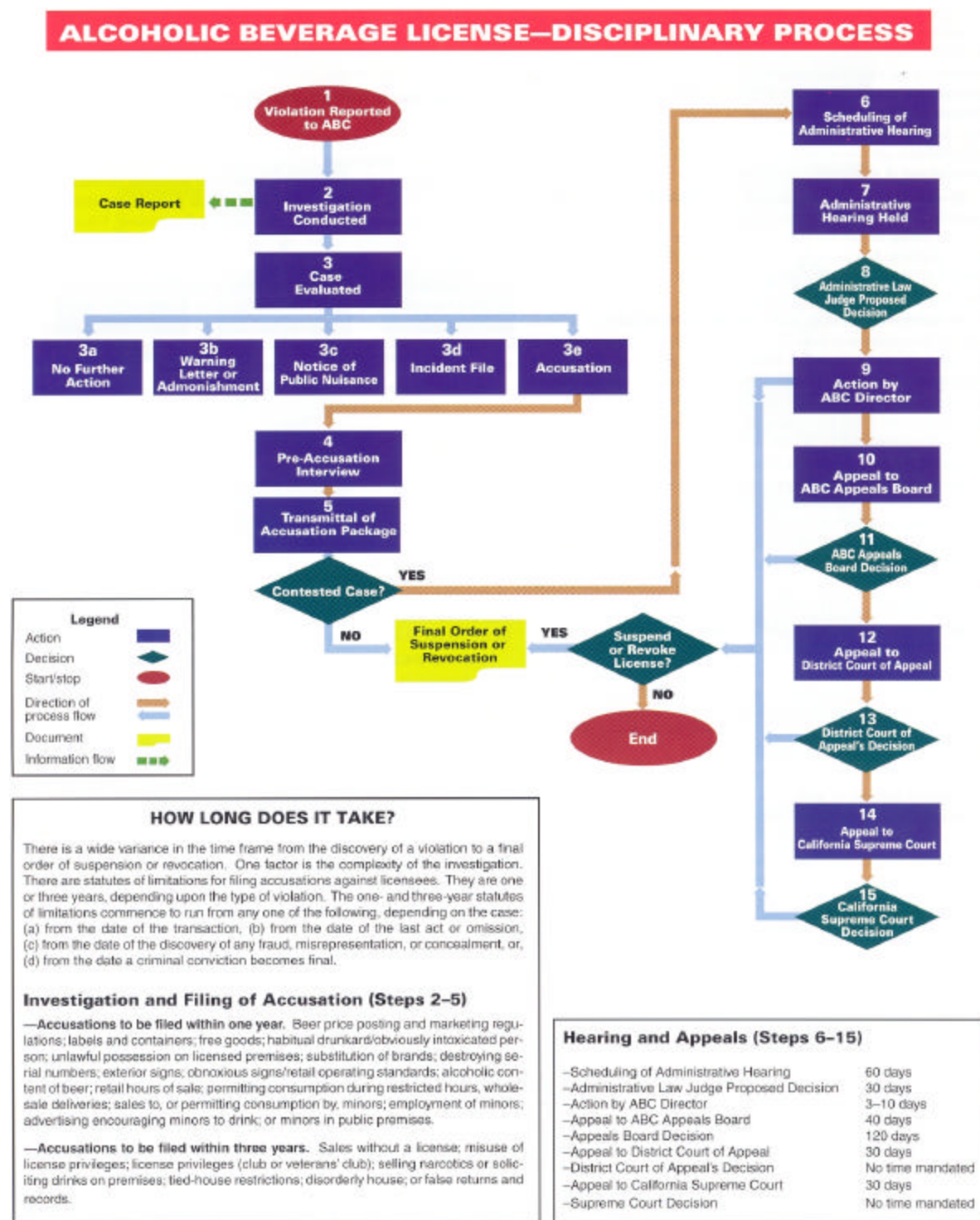


Figure 16

1.0 - Violation Reported to ABC

Policy

It is the Department's policy that enforcement decisions shall not be based upon any improper motives. This means that no group or individual shall be "targeted" for investigation or disciplinary action based upon their political or ideological beliefs or other constitutionally-protected activities.

The Department's enforcement complaint procedure is based upon a "priority system," which emphasizes complaint-based enforcement. Complaint-based enforcement means responding to complaints received and matters that come directly to our attention, which could otherwise be the basis of a complaint.

To maximize the efficiency and effectiveness of the Department's enforcement efforts, the following guidelines are to be used to execute the Department's Complaint Investigation Priority System.

Complaint Procedures

A. Accepting Complaints

There are two forms used for accepting complaints against licensees. The first, Form ABC-99-E, Complaint Against Licensee, is for completion by the public. The person making the complaint completes the form and mails it to HQ attention "Complaint Desk," (i.e., Director's Office). Upon receipt of an ABC-99-E, the Director's Office will route the complaint to the proper District or Branch Office for review and follow-up as necessary.

The second form for accepting complaints is Form ABC-99-A, Complaint Against Licensee. This form is used by District and Branch Office employees for accepting complaints over the telephone or at the front counter. A complaint may be received from the public, other government agencies, community groups, or anonymous sources. Complaints that may bring public attention to the Department should be brought to the attention of Division when received. (For example, complaints from legislators or involving the media, etc.)

Any employee who receives any complaint, written or oral, for a possible violation shall complete the form. This includes Business Practices violations. Employees shall not automatically refer Business Practices violations to HQ Business Practices. Rather, they shall forward a completed Form ABC-99-A or ABC-99-E to the Supervisor in their respective office.

B. Reviewing Complaints

The Supervisor will review the complaint and decide whether to issue a

Form ABC-61, Assignment Sheet.

C. Business Practices Complaints

Business practices complaints received at District will be immediately forwarded to HQ Business Practices for review. This is done because these types of complaints often:

- Cross jurisdictional boundaries
- May have statewide impact
- May require extensive investigation and technical expertise

The Chief of Business Practices will determine whether the District Office or the Business Practices Unit should conduct the investigation. Some of the reasons the Chief of Business Practices may have the District Office conduct the investigation are:

- Complaint may be localized within the District
- Complaint may not require intensive investigative resources

If the ABC-61 originates in a district office, a copy of the business practices ABC-61's will be routed to the Chief of Business Practices for information and review. Business Practices will provide direction to District on how to proceed. The Chief or Assistant Chief of Business Practices will evaluate the complaint and assign it to an investigator for follow up, where appropriate. The Chief or Assistant Chief of Business Practices will determine the priority of any business practices complaint, whether issued by a District Office or by Business Practices.

HQ Business Practices is available at any time to provide technical assistance or investigative resources to District and Division Offices in matters involving business practices.

HQ Business Practices will advise the District Office in writing when an assignment has been issued. HQ Business Practices will also advise the District Office of the final disposition of the complaint.

HQ Business Practices Unit is responsible for logging all business practices complaints into CABIN.

(CABIN – The California Alcoholic Beverage Industry Network is the Department's internal information technology network and data storage and retrieval system relating to licensed premises and assignment tracking. All employees have access to CABIN. Supervisors use CABIN for issuing ABC-61 assignments.)

- All Department related procedures for accepting complaints, regardless of source, are completed electronically. The above described ABC forms are in electronic format and available on every employees PC.
- When complaints are received, the time associated with the processing of that information is almost instantaneous. Due to the electronic nature of the acceptance of complaints, the information is relayed to the necessary individuals for proper review and assignment.

3. Acknowledging Complaints

If the complainant requests an acknowledgment or if the supervisor feels one is needed, the supervisor will do so either by telephone or in writing. Routine police reports do not require an acknowledgment.

- Response time associated with acknowledging complaints may occur with in the same day as the receipt of the complaint, depending on the proper routing of the complaint information and staffing.
- Most complaint acknowledgment is done via telephone, however, a formal letter acknowledging receipt and follow up may be done as well.

4. Complaint Assignment Priority System

The Department prioritizes complaints received against licensees by type and by the number of previous complaints against the licensee. This system alerts District Offices to high-priority complaints needing prompt action.

To maximize enforcement efforts, District Offices must give consideration to the number of enforcement assignments within a given geographical area regardless of priority. Lesser priority assignments may be worked in a given geographical area; however, the emphasis must be placed on "Priority 1" assignments. The following is the priority of assignments and time frames for investigation of each:

A. Priority No. 1

- Disruptive, disorderly premises, which cause a drain on law enforcement resources and/or disturb neighborhood residents and businesses. Includes violent crimes, as well as noise, prostitution, lewd conduct, lawlessness, drunkenness, and other similar crimes and activities that threaten the safety, welfare and tranquility of communities.
- All Violations Involving Persons Under 21

- Sales to Obviously Intoxicated Persons
- Narcotics
- Licensee or Bartender Working in Premises While Intoxicated
- Sales Without a License
- Sales While Under Suspension
- Undisclosed Ownership involving Felons

Time Frame for Investigation: All Priority 1 complaints will receive an initial visit within **30 days** of receipt of the complaint.

B. Priority No. 2

- Sale and/or Consumption During Restricted Hours
- Not Operating Bona Fide Eating Place
- Visits of Licensees Serving out a Stayed Period (i.e., licensees on probation)
- Nude Entertainment, etc.
- Undisclosed Ownership
- Gambling (felonies)
- Food Stamp Trafficking (i.e., purchasing stamps at discount)
- Retail Operating Standards
- Harmful Matter
- Receiving Stolen Property

Time Frame for Investigation: All Priority 2 complaints will receive an initial visit within **45 days** of receipt of the complaint.

C. Priority No. 3

- Illegal Solicitation of Alcoholic Beverages
- Violation of Conditions
- Club Licenses, Sale to Public
- Alcoholic Beverage not Permitted by Licensee
- Keg Registration Violations
- Moral Turpitude Backtracks, (Court Documents, Police Reports, etc.)

Time Frame for Investigation: All Priority 3 complaints will receive an initial visit within **60 days** of receipt of the complaint.

D. Priority No. 4

- Refilling
- Contaminated Bottles (insects, etc.)
- Substitution of Brands

- Sales or Purchase Between Retailers
- Food Stamp Violations involving purchases of alcoholic beverages with food stamps (non-criminal)

Time Frame for Investigation: All Priority 4 complaints will receive an initial visit within **75 days** of receipt or when practical. In cases of contaminated bottles complaints, a District Office may wish to call upon the local health department to inspect the premises for contaminated bottles. If violations are found, ABC could file an accusation against the licensee based upon the health department's report.

E. No Priority Category

- "Police Reports Assigned for Investigation"

These assignments have no priority category because Section 24202 B& P Code requires that the Department "promptly cause an investigation to be made upon receipt of an incident or arrest report from any state or local law enforcement agency." Police Reports Assigned for Investigation assignments should be issued immediately upon receipt of a police report. Also, depending upon the type of case involved, the CABIN system will automatically assign a priority.

Time Frame for Investigation: Immediately or within **30 days** from receipt of a report.

- "Administrative Enforcement"

These assignments have no priority category because they are time sensitive by nature. Administrative enforcement assignments include:

- Discovery Requests
- Hearing Preparation
- Court - Obtaining Court Documents
- POIC Audits (Petition to make an Offer In Compromise)
- Posting Suspensions
- Serving Subpoenas
- Evidence - Transporting Evidence
- Witnesses - Transporting Witnesses to Court or Administrative Hearings
- Other Assignments

Time Frame for Completion: Administrative enforcement assignments will generate their own urgency for completion. This means that they require immediate processing unless the investigator needs to monitor and await the outcome of an outside investigation or court action.

- Business Practices

The time frame for these assignments will be determined by the Chief of Business Practices.

5. Logging in Complaints

The Supervisor will ensure that all complaints are logged in, as follows:

CABIN. Enter the complaint into CABIN. This will generate an ABC-61 assignment to the field crew or to a specific investigator. If additional complaint(s) are received against a licensee already under assignment, the District Administrator or Supervisor will ensure that the priority of the assignment is raised to a higher level as justified by the circumstances. The additional complaint(s) should be noted on the ABC-61 in CABIN, including the date received.

Logging System. The complaint should be logged either in a binder or on the computer. Some District Offices maintain three-ring binders to log Investigator Assignments and Field Assignments. Some offices prefer, and may use, computerized logging systems (Illustrations 5 and 6).

Field Enforcement Binder. If the ABC-61 is assigned to the field crew, the Supervisor will attach a copy of the complaint to Form ABC-61 for the Field Enforcement binder. The original shall be kept in the licensee's file. If the complaint does not directly involve a licensed premises, the original shall be placed in the folder for non-licensees, by year.

Pulling Files. The Supervisor should have the file pulled. A review of the file will reveal whether an ABC-61 should be issued, the licensee should be called into the office and placed on notice or a Section 24200(e) letter sent. If there are conditions on the license, a copy of the conditions should be attached to the ABC-61. A copy of the ABC-61 should be placed in the inside cover of the base file. This alerts the front office if someone comes in to transfer the license. If so, the clerical staff should notify the supervisor that an ABC-61 is outstanding.

6. Monitoring Assignments

A. Supervisor's Responsibility

It is the Supervisor's responsibility to review all active 61 assignments, both field and individual assignments to verify they are being worked in the time restraints listed. The supervisor will take appropriate action if any assignments are not being worked or investigated in the required time frames. If needed, the supervisor will comment on the status either in CABIN or on his or her control logs.

7. Closing Out Assignments

Typically, an ABC-61 assigned to a field crew may be closed out after one to three visits. Supervisors will use their own good judgment in making this determination.

After determining that an assignment should be closed out, the Supervisor will close it out in CABIN and their log (binder or computer log). Upon request of the District Administrator, the Supervisor will then route any closed out assignments to the District Administrator for his or her information.

A copy of the closed out ABC-61 will be placed in the licensee's file. If warranted, the District Office shall proceed with the disciplinary process per P 105, Disciplinary Procedure.

If the closed out ABC-61 was for an assignment that did not involve a licensed premises, that ABC-61 will be placed in a file entitled Miscellaneous Closed Out 61's. This would include non-licensed premises, assignments for other district offices, etc.

Upon final disposition of the administrative case, the District Office should notify the law enforcement agency with a standard close-out letter, Form ABC-334. Route copies to the chief or sheriff and the evidence custodian. Upon request by a complainant, the Supervisor should also notify the complainant upon final disposition of the administrative case.

Most of the steps involved with the receipt and processing of complaints are completed electronically. Based on the current staffing levels of the office in which the complaints are received, a normal complaint may be accepted, acknowledged, logged, and assigned to the proper geographic district or office within one working day.

2.0 Investigation Conducted

Investigations to detect violations may be conducted by ABC investigators and/or other law enforcement agencies. Investigations may include any of the following strategies:

- **undercover** operations to target specific incidents of unlawful activity (e.g., drunks, narcotics, drink solicitation activity, condition violations, minors, etc);
- **surveillances** to check for loitering, drinking in public, graffiti, litter, excessive signage, excessive noise etc.
- **premises inspections** (the law authorizes peace officers to inspect licensed premises for violations of the ABC Act during the times when the license privileges are being

exercised); and/or (d) contacting nearby residents and business owners (an accusation to revoke a license of a disorderly premises may be based solely on the testimony and/or other evidence from citizens who live or work near the licensed premises). After completing this investigation, the investigator submits a completed assignment sheet and/or case report.

Depending on the type and depth of the violations and necessary attention given to them, the investigations may last anywhere from one day to several months.

Investigation reports are all written electronically and printed to complete the case investigation report. Presently, the department is beginning to issue laptop computers to field staff which will help to decrease the amount of time it takes to process a case investigation report.

3.0 Case Evaluation

After the investigation, the District Office evaluates the case and takes one of six different actions, depending on the evidence and facts of the case.

3a No Further Action. This means there was insufficient evidence of a violation and ABC is dropping the case with no further action.

3b Warning Letter or Admonishment. A warning letter may be sent to a licensee or a licensee maybe called into the District Office for an interview when the circumstances surrounding a violations show that a warning letter or interview will achieve the desired effect of compliance and the filing of accusation is not in the best interests of justice. With warnings, there must be sufficient evidence to indicate that the violation did occur. Anything less is an admonishment.

3c Notice of Public Nuisance. This notice describes nuisance conditions observed at the premises and reminds the licensee of his duty to control his premises. ABC then monitors the licensed premises. If, after being notified by ABC, the licensee fails to correct public nuisance conditions at the licensed premises within a reasonable period of time, ABC may file an accusation.

3d Incident File. A police report, including any call for service to the premises by law enforcement, which does not by itself warrant an accusation, is placed in the licensee's file and accumulated. If a sufficient number of these reports or calls for service accumulate, ABC may file an accusation alleging "permitting a disorderly house" and/or creating a law enforcement problem" at a future date.

3e Accusation. If sufficient evidence exists that a violation occurred, the District Office prepares an accusation. The accusation alleges specific violations of law, rule or regulation.

Case evaluation and recommendations for proceeding to the next step may be made within days of the investigation report being submitted for review. This time line is subject to staffing and work/case loads.

4.0 Pre Accusation Interview

If the determination is made to proceed with an administrative accusation, the District Office conducts an interview with the licensee concerning the case prior to sending the accusation package to the Division Office. The licensee is informed of the disciplinary procedure, his legal rights, the possibility of settling the case by a Stipulation and Waiver, the fine and appeal process, and the recommended penalty. The term Stipulation and Waiver means that the licensee agrees (stipulates) to the charges and gives up (waives) rights to an administrative hearing and appeal. Penalty recommendations are made on a case by case basis. Consideration is given to the type of violation, the minimum penalty schedule, and all factors of aggravation or mitigation, including the licensee's disciplinary history. Penalties are not meant as punishment for the licensee, but as protection for the public. Penalties are recommended bases on their deterrent effect and to assure future compliance.

In a typical district office, depending again on staffing and current work loads, a pre-accusation interview with the involved licensee will usually be scheduled within 2 weeks of the investigation completion.

5.0 Transmittal of Accusation Package

The District Office forwards the accusation, the case report, supporting documents and a penalty recommendation to the Division Office. The Division Office reviews the accusation, makes a recommendation, and forwards the entire package to ABC Headquarters, Hearing and Legal, for filing (registration) of the accusation.

This process takes a matter of days to complete as packages are sent via US Mail between the District, Division, and Headquarters offices.

The review process by Division staff may be completed within a matter of days.

6.0 Scheduling of Administrative Hearing

Headquarters, upon receiving the accusation, case report and recommendation, will formally file the accusation, set the matter for hearing and serve the accusation, notice of defense, and notice of hearing upon the respondent-licensee. Contested cases are scheduled for a hearing before an administrative law judge (ALJ) within 60 days. The purpose of the hearing is to determine whether a violation has been proved, and if so, to set a penalty.

7.0 Administrative Hearing

At the hearing, ABC counsel represents ABC. The licensee may be represented by an attorney or other person, or he can represent himself at the hearing. ABC presents

evidence, including testimony of witnesses, etc. The licensee may testify and/or present other evidence. Rules of evidence are primarily those followed in civil hearings, and the burden is on ABC to prove, by a preponderance of evidence, the charges set forth in the accusation.

Depending on the number of alleged accusations and the severity and depth of the case being presented, an Administrative hearing may last anywhere from 4 hours to a few days.

8.0 ALJ Proposed Decision

The ALJ has 30 days to prepare a Proposed Decision for consideration by the ABC Director. In the proposed decision, each charge in the accusation is shown as proved or unproved and a penalty is proposed. The ALJ may propose the same penalty that ABC suggested or a greater or lesser penalty.

9.0 Action by ABC Director

The ABC Director adopts or rejects the ALJ's Proposed Decision. If the ABC Director adopts the decision by the ALJ, the appropriate district and licensee(s) are notified of judgment. If the ABC Director rejects the Proposed Decision, ABC sends a Notice of Rejection to licensee. The licensee has 30 days from the date of the notice to submit written argument.

10.0 Appeal to ABC Appeals Board

A licensee who is not satisfied with the ABC Director's decision may appeal the Director's Decision to the ABC Appeal Board within 40 days. The Board is a separate State agency comprised of a three-member panel appointed by the Governor.

11.0 ABC Appeals Board Decision

The Board reviews the record of the administrative hearing and accepts written or oral arguments. It may not accept any new evidence that was not offered at the original hearing. The Board usually makes a decision within 120 days.

12.0 Appeal to District Court of Appeal

The licensee and ABC may appeal to the California District Court of Appeal (DCA) within 30 days of the Appeal Board Decision.

13.0 District Court of Appeal's Decision

The DCA reviews the record and renders a decision. The Attorney General represents ABC at the hearing. There is no mandated time period for the DCA to render its decision.

14.0 Appeal to California Supreme Court

The licensee and ABC may appeal to the California Supreme Court within 30 days of the DCA decision. The Attorney General represents ABC before the Supreme Court. There is no time mandated for the Supreme Court to render its decision.

15.0 California Supreme Court Decision

The California Supreme Court makes a decision to suspend or revoke the license. There is no time mandated for the Supreme Court to make its decision.

Additional Information

The Department is currently undergoing an information technology update which will increase the electronic resources made available to field staff. This update will significantly decrease the amount of time and work put into the initial steps (Steps 1-3) of the enforcement and compliance function of ABC. Reports of alleged violations will be able to be completed in the in the field and in a more timely manner.

An internal committee has been charged with the task of revising the accusation process (Steps 3e-6). The main goal of this review committee is to streamline the functions, reduce the number of inconsistencies, errors, and time associated with this process. This process improvement effort will enable the Department to process more cases and accusations and also benefit licensees by decreasing the time it takes to adjudicate an administrative accusation.

SECTION 4 - GRANT ASSISTANCE PROGRAM

Function

In 1995, ABC implemented the Grant Assistance to Local Law Enforcement Program (GAP) to broaden and increase the level of alcoholic beverage enforcement. This is done by working in partnership with cities and counties through the awarding of grants to local law enforcement agencies. The purpose of the program is also to strengthen the working relationship between ABC and local law enforcement agencies in California. ABC awards grants of up to \$100,000 with the emphasis on reducing alcohol-related crime through community-oriented policing, prevention and education programs.

Steps in the Process

Steps in the grant process are listed below and show on Figure 17.

November	Request for Proposal (RFP) is prepared
January	RFP is mailed out to approximately 450 California police and sheriff's departments
March	Proposals are due back
Mid-April	A selection committee consisting of both Assistant Directors for Northern and Southern California and the Chief Deputy Director review the RFP's and make their recommendations to the Director
End of April	Director makes the final selection
May	The Director's recommendations are submitted to the Secretary of Business, Transportation and Housing for final approval
Mid-May	The winning agencies, approximately 20, are notified of their selection and are asked to start the process of getting an officer assigned to the grant program. Letters are also sent out to the unsuccessful agencies
June	Contracts are prepared and mailed out
July	Two-day training conference for all grantees

Preparation of RFP	1 week
Printing of RFP	2 weeks
Mailing of RFP	1 day
Selection committee review	2 days
Director's final selection	2-3 days
Agency approval	2-3 weeks
Contract preparation	1 week

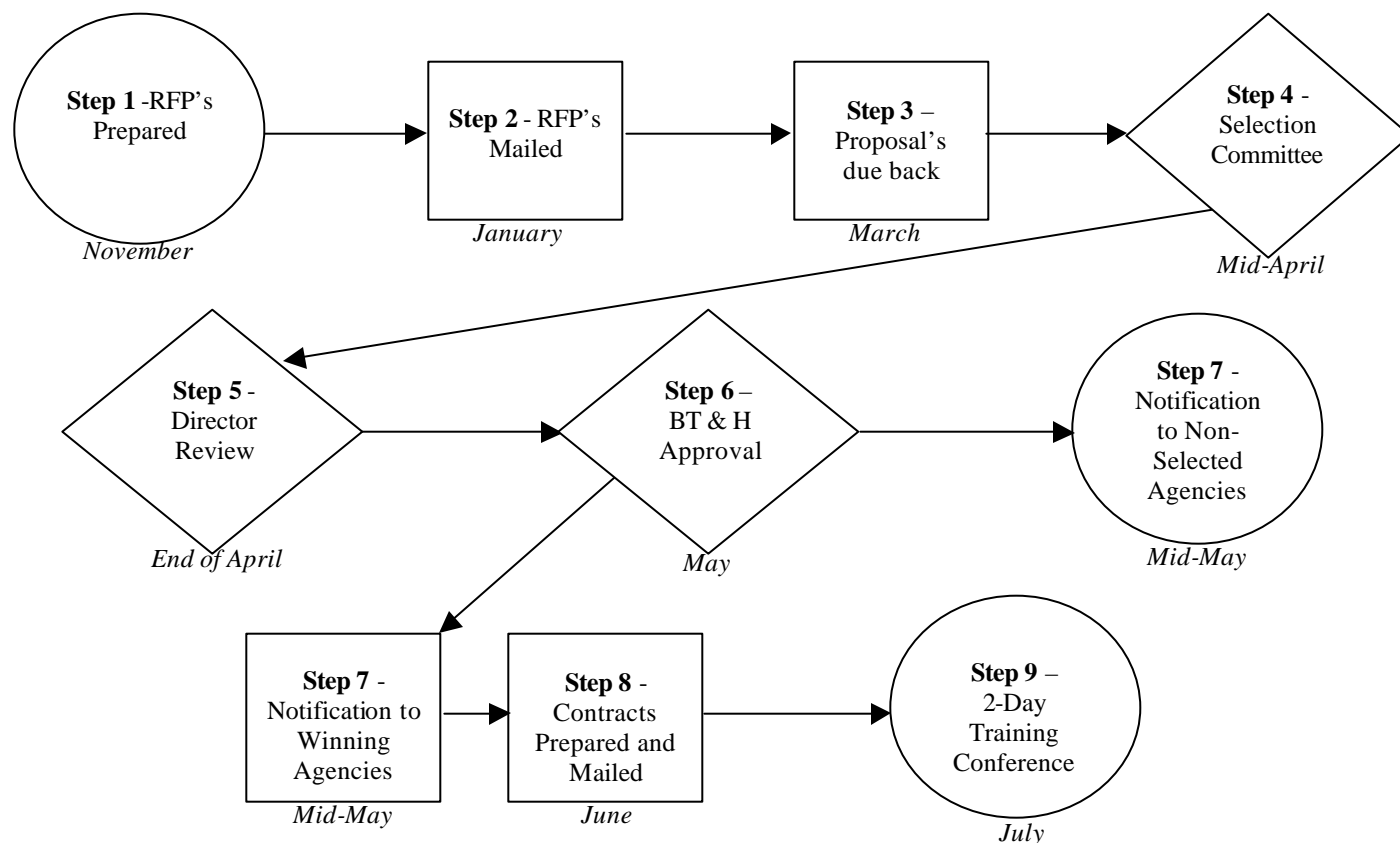


Figure 17

Manual vs. Electronic Steps in the Process

Before the FY 2004/05, all steps were performed manually. However, to save on printing and mailing costs, an announcement from the Director to all police chiefs and sheriffs throughout the state is now sent out advising that the RFP packet can be downloaded from the Department's web page. An original and four copies of the proposal to ABC are still required from the applicant via U.S. Mail.

Analysis of the Department of Alcoholic Beverage Control's Grant Assistance Program

The mission of the Grant Assistance Program is to work with local law enforcement agencies to develop an effective, comprehensive, and strategic approach to eliminating the crime and public nuisance activities associated with problem alcoholic beverage outlets and then institutionalize those approaches within the local police agency.

Prior to this program, most contacts between ABC, local public agencies, and community groups generally occurred on a case-by-case basis for individual retail outlets. There was no systematic, pro-active strategy to address alcohol-related problems at the point of sale on a community-wide scale.

Funding

Funding is derived from the Alcohol Beverage Control Fund. ABC is a special fund agency and the Grant Program is funded entirely by license fees from the alcoholic beverage industry. Grant funds are not available until July of the fiscal year in which the funds are appropriated. A cover letter is sent out to the selected local law enforcement agencies with the contract in June stating that “grant funding is subject to budget approval.”

Selection Criteria

The Department developed the initial Request for Proposals for the Grant Assistance Program with the assistance of the Governor’s Office of Criminal Justice Planning (OCJP) and Office of Traffic Safety (OTS). The model chosen for the ABC grant process took the best of the OTS and OCJP grant processes and combined them to meet the needs of GAP philosophy and goals. With the assistance of OTS and OCJP, a Request for Proposal (RFP) package was developed to identify local law enforcement agency needs and fund those grant proposals that offer the most success.

The RFP contains eight categories, which require a narrative response, as follows. Each category is weighted. The maximum score is 255 points.

Background (composition and structure of the agency, etc.)	20 points
Problem Statement	40 points
Project Objectives	55 points
Method of Procedure	45 points
Method of Evaluation	20 points
ABC Liaison	25 points
Statement of Intent	20 points
Budget (matching funds and resources, etc.)	30 points

The final scores are not necessarily the final determining factor for a grant award. Additional considerations include geographical and demographical distribution of the fifteen to twenty grants awarded each year, and the comparative severity of the problem in a statewide context compared to other grant applicants.

Program Staffing

The staffing of the Grant Assistance Program consists of a District Administrator, Supervising Investigator, and a Grant Coordinator who manages the administrative duties. Additionally, eight ABC Investigators are assigned to the program with one Investigator assigned to each agency to act as liaison with the department and to assist in achieving the grantee’s goals.

Training of Local Law Enforcement

ABC sponsors two training seminars for grant officers each year. The primary training is a two-day training in various ABC enforcement strategies. In January of the grant cycle, a one-day mid-year conference is held to evaluate if the goals and objectives of the grant are being met and to meet and discuss mutual problems with other grant agencies. In addition to these two training sessions, bar checks, inspections, and task force operations also provide a method to train local officers. These grant officers, as well as ABC investigators, give training to other officers in their departments during roll call and general operations.

Goals and Objectives

The main goals of the Grant Program are to (a) achieve the goals and objectives of the local enforcement agency's grant agreements; (b) establish close long-term working relationships between ABC district offices and the grant agencies; (c) prioritize law enforcement efforts and target those licensed outlets that cause alcohol-related crimes; (d) develop records management systems to ensure police reports are systematically sent to the ABC district offices as required by law; and (e) assist in training of local law enforcement and (f) assist in training of Department staff

Program Components

To achieve its goals, the Grant Program emphasizes a strategy in correcting or eliminating alcohol-related problems at the point of sale with a strong emphasis on comprehensive enforcement tactics. An approach is used that brings all available Federal, State, and local resources to bear on the problem. Individual grant agencies implement enforcement through a variety of innovative project objectives, which usually include training of law enforcement personnel, community involvement, prevention, enforcement, records management and data systems, liaison with the ABC District Office, and media involvement.

Enforcement Strategies

At the onset of the grant, the local law enforcement agencies identify problem establishments and plan strategies to bring them into compliance. A problem establishment is considered any licensed location, on-sale or off-sale that disturbs the surrounding residents or business owners, or is maintained for reasons not moral or safe. Actions that require an inordinate amount of police services also classify a licensed premise as a disorderly house. This would include disrupting the surrounding community with noise, loitering, littering, graffiti, or vandalism. Crimes that occur inside the premise may also render it a disorderly house. Incidents such as fighting, prostitution and narcotics in or around the premise, including the parking lot, warrant a disorderly house.

Many of the agencies identify several problem premises but require the funding supplied by the grant in order to address the problems. Once the local law enforcement

agencies received the grant, they are trained to use several methods to deal with these locations. Strategies include programs such as:

IMPACT (Informed Merchants Preventing Alcohol-related Crimes and Tendencies) The IMPACT Program teams an ABC investigator with a local law enforcement officer to conduct visits and inspections of licensed premises. During their visits, IMPACT teams remind licensees of the responsibilities and accountability associated with the sale of alcohol. The officers also inspect licensed premises for compliance with State and local laws. Its main objective is to teach licensees how they can help reduce alcohol-related crime. The licensee is allowed time to correct objectionable problems within a 30 day period. IMPACT is particularly effective with off-sale licensees regarding problems of loitering, litter, graffiti, excessive signage, drug paraphernalia, and illegal slot machines.

ROSTF (Retail Operating Standards Task Force) – The ROSTF mission is to identify businesses that are operating in violation of Business and Professions Code Section 25612.5. This law requires licensees to clean up litter on a daily basis, remove graffiti within 120 hours of application, remove excess signage to ensure law enforcement personnel have a clear and unobstructed view of the interior from the outside, and prevent loitering and the consumption of alcoholic beverages in or around off-sale licensed businesses. ABC investigators and/or local law enforcement officers notify the licensees of the need to comply and initiate follow-up inspections to confirm compliance. Lack of compliance will result in the issuance of a misdemeanor citation to the licensee and the filing of an accusation for administrative action. This is an enforcement task force and should not be confused with the IMPACT Program.

Minor Decoy Program - In the Minor Decoy Program, a letter is sent to all licensees advising them a minor decoy program will be conducted in their city. Strict guidelines are required to ensure fairness of the program and to obtain community support. The use of underage decoys to determine if licensees are selling to minors has resulted in a dramatic drop in violations. Surveys completed indicate licensees' failure rate during the first minor decoy program range from 30% to 40%. With an ongoing program, the failure rate is reduced to below 15% and in many communities the results are below a 10% failure rate.

Shoulder Tap Sting – Before the grant, local surveys showed that a large percentage of high school students got their alcohol by asking a stranger to buy it for them. To attack this problem, the Shoulder Tap Sting program was developed which used a minor and a decoy. The decoy, equipped with a body wire and monitored by a surveillance team, approaches patrons outside off-sale outlets and asks them to buy the decoy alcohol.

At the start of this program, it was common for the store clerk to witness the shoulder tapping, talk with the decoy, and still sell to the patrons. When running the program in a follow-up operation, the grant team found many store owners and citizens knew about the program. Further into the program, officers witnessed store owners contacting the decoy and threatening to call the police if the decoy did not leave.

LEAD (Licensee Education on Alcohol and Drugs) – The LEAD program is a free, voluntary training program designed for licensees and their employees conducted by ABC investigators. It offers a three-hour curriculum and video series on sales to minors and obviously intoxicated persons, recognizing false identification, and spotting signs of illegal drug activity. After the LEAD seminars, violation rates are greatly reduced in selling alcohol to minors as well as obviously intoxicated patrons.

Cops In Shops – This program originated as a Century Council Program. It is an innovative and effective approach to deal with the problem of illegal underage alcohol use. It is a community-wide, cooperative effort between retailers and law enforcement to deter minors from attempting to purchase alcohol and stop adults who buy alcohol for minors. The program works because it places the focus on the perpetrators – those who purchase alcohol illegally. An officer poses as door staff or a store clerk in order to stop those persons attempting to gain access or purchase alcoholic beverages by means of fraudulent identification, or in some cases, no identification at all.

Records Management and Data Systems

During the grant period, grant agencies devise new and improved systems to ensure police reports are systematically sent to the ABC District Office as required by law and track alcohol-related data and crime at licensed outlets. Many agencies have developed systems that have made it easier to gather, track, and maintain alcohol-related crime data.

Community Involvement

Grant teams involve the community in many ways, including showing residents how to maintain logs of nuisance conditions from nearby alcohol outlets.

Media

Grant agencies use the media to effectively publicize their activities. The majority of the grant agencies are very proactive with the media. They issue news releases, hold news conferences, and allow reporters to observe enforcement operations. The media stories are mostly positive, telling how the local law enforcement agency use grant funds to crack down on alcohol-related crime. Often, lawbreaking licensees become compliant for fear of being targeted by ABC or the local law enforcement.

Building Liaison

Prior to receiving an ABC grant, some agencies already have a close working relationship with the local ABC District Office. Others develop the relationships through the GAP Program. The liaison built between the grant agency and ABC helps grant agencies achieve their goals and objectives within their respective communities. To foster an open dialog with grantees, each grant agency is assigned to a specific ABC

investigator who provides technical assistance and training to the grant agency. ABC feels these one-on-one relationships are critical to the success of the project.

Assessment

Program effectiveness of the GAP Program is monitored through monthly and quarterly reports submitted by the grant agencies. These reports detail the number of arrests, enforcement operations, licensee training programs, community outreach programs (including number of individuals in attendance), and officers trained through roll call training. The reports are submitted to the Grant Coordinator who then compiles the data. The effectiveness of the program is evaluated on a regular basis by the GAP Unit personnel to ensure that agencies are meeting their goals.

Among the many successes of the program has been its effectiveness in strengthening the working relationship between ABC and the various local law enforcement agencies in California. This State and local partnership results in a more effective use of human resources, a reduction in crime, and a more efficient use of taxpayer funds. Of great interest have been the many businesses which voluntarily take active steps to eliminate loitering, litter, graffiti, drug paraphernalia, and excessive signage in windows. The results have reduced calls for police service and improved conditions in neighborhoods impacted negatively by liquor stores and bars.

The GAP Program has worked well because of the partnerships that have evolved and the hard work of those individuals who have participated in this program since its inception. Many grant agencies have continued to use the ABC strategies and programs they learned during their grant cycle. The most important aspect of the program in those communities served by the grants is the visible improvement in the physical appearance of the communities. The GAP's success can also be measured quantitatively by the reduction in alcohol-related arrests, crimes, and calls for service in many jurisdictions. Further quantitative measures include the number of administrative accusations registered, arrests and citations, decoy programs, and community outreach meetings. Quantitative measures include declarations of satisfaction from local officers and community members and visible improvements in the physical conditions of targeted communities.

SECTION 5 - NATIONAL COMPARISON

“License” States vs. “Control” States

In 1933, the 21st Amendment to the U.S. Constitution gave the states complete and autonomous authority to regulate the distribution and sale of alcohol. California is one of 32 states operating under the “license” or “open” system. Nineteen (19) jurisdictions are known as the “control states,” which not only regulate alcohol beverage distribution within their respective borders, but also sell these products at the wholesale and, in many cases,

retail level. The states, along with contacts, are listed in Appendix A. The control states feel that by participating in the marketplace, they are able to serve their citizens with a broader and more flexible range of policy options for promoting moderation in the consumption of alcohol beverages and for reducing alcohol abuse.

As a result of these two very distinct regulatory frameworks, and the fact the state laws pertaining to alcohol manufacture, sale and consumption vary widely among the 50 states, comparing performance measures, budget allocations and staffing levels across states is difficult. Cost comparisons among and between state's alcohol regulatory agencies are also influenced by the fact many states have combined alcohol regulation with other programs – e.g. tobacco, gaming, and excise tax compliance. Also, many states have functionally separated licensing functions from enforcement duties and either local or other state law enforcement agencies are responsible for alcohol law enforcement.

Nevertheless, we have conducted a comparison with Arizona, Florida, New Mexico, Oregon, Texas and Washington State. We will start by listing California ABC's key metrics, followed by the comparison states.

California Department of Alcoholic Beverage Control (a license state)

Licensing - Key Metrics

Metric 1.1 - Number of Permanent License Applications Received

Metric 1.2 - Average Time to Process Original Applications, by License Type

Metric 1.3 - Average Time to Process Transfer Applications, by License Type

Metric 1.4 - Number of Permanent Licenses Issued

Metric 1.5 - Number of Special Event Licenses Issued

Metric 1.6 - Number of Applications Denied and Withdrawn

Enforcement/Compliance - Key Metrics

Metric 2.1 - Number of Investigations Completed

Metric 2.2 - Number of Accusation Registered

Metric 2.3 - Number of Warning Letters Issued

Metric 2.4 - Number of Premises Visited

Metric 2.5 - Number of Field Enforcement Hours Worked by Sworn Staff

Metric 2.6 - Number of Arrests and Citations

Grant Assistance Program - Key Metrics

Metric 3.1 - Number of Licensing Premises Inspected in Grant Jurisdictions

Metric 3.2 - Number of Licenses and Employees Trained in grant Jurisdictions

Metric 3.3 - Number of Accusation Registered in Grant Jurisdictions

Metric 3.4 - Number of Arrest and Citations in Grant Jurisdictions

Florida Department of Business and Professional Regulation Division of Alcoholic Beverages and Tobacco (ABT) (a license state)

Florida ABT has 13 district offices spread throughout the state, with the majority of the resources directed towards the major urban areas. Each district office has non-sworn staff members who perform licensing functions and other sworn staff who perform primarily field enforcement investigations. Only 8 of the 13 district offices have "auditing" personnel who audit businesses suspected of under-reporting alcoholic beverages taxes.

1 - Licensing - Key Metrics

Metric 1.1 - Number of Permanent License Applications Received.

13,200 applications during 2003.

Metric 1.2 - Average Time to Process Original Applications, by License Type.⁹

14 days to process applications, (all license types.) On occasion, a lengthy investigation could take up to 35 days to complete. However, applicants are afforded the opportunity to pay a \$100 fee for a temporary license, and can begin sales at the time the application is filed.

Metric 1.3 - Average Time to Process Transfer Applications, by License Type

14 days to process applications, (all license types.) On occasion, a lengthy investigation could take up to 35 days to complete. However, applicants are afforded the opportunity to pay a \$100 fee for a temporary license, and can begin sales at the time the application is filed.

Metric 1.4 - Number of Permanent Licenses Issued

38,470 permanent licenses as of January 1, 2004.

Metric 1.5 - Number of Special Event Licenses Issued

Representative state only "30" for the entire state for the 2003 year.

Metric 1.6 - Number of Applications Denied and Withdrawn

⁹ Florida ABT's application process is vastly different than California's. Florida's ABT does not have a "protest" process. There is no notification of an application to local governing officials, local law enforcement, local residents, or considerations points. ABT does not have protest hearings. The only requirements for an ABT license is local zoning approval, moral character clearances, and proper signatures for corporate applications. The only venue for local residents or law enforcement to protest an application is through their local zoning department.

Could not provide an exact number. Research indicated that 3% of all applications are either denied or withdrawn.

2 - Enforcement/ Compliance - Key Metrics

Metric 2.1 - Number of Investigations Completed

Florida's Division of Alcohol Beverages and Tobacco does not use the term "Investigations." ABT uses the term "Cases." During the 2003 year, ABT conducted 98,000 Cases, which included 16,444 premises visited, 19,844 actual investigations, and the remaining are "Decoy Operative" investigations, joint investigations with local law enforcement agencies, etc. These numbers do not include the tobacco enforcement numbers.

Metric 2.2 - Number of Accusation Registered

1,200 accusations registered during the 2003 year.

Metric 2.3 - Number of Warning Letters Issued

6,300 warning letters issued, (including tobacco violations.) ABT could not break the numbers down between alcoholic beverages vs. tobacco violations.

Metric 2.4 - Number of Premises Visited

16,444 premises visited for alcoholic beverage related issues.
(Excludes tobacco enforcement.)

Metric 2.5 - Number of Field Enforcement Hours Worked by Sworn Staff

Florida ABT could not provide the data. The deputy director estimated that their agency's 15 sworn agents spend about 75% of their time in the field, conducting actual field enforcement investigations.

Metric 2.6 - Number of Arrests and Citations

During the 2003 calendar year, ABT agents made 9,161 arrests and citations for alcoholic beverage related violations (tobacco excluded). The Deputy Director estimated that approximately one third of the arrests and citations are made during the annual Spring break festivities, mostly minors in possession of alcohol, minors using false identification, etc.

3 - Grant Assistance Program - Key Metrics

Metric 3.1 - Number of Licensing Premises Inspected in Grant Jurisdictions

Metric 3.2 - Number of Licenses and Employees Trained in Grant Jurisdictions

Metric 3.3 - Number of Accusation Registered in Grant Jurisdictions

Metric 3.4 - Number of Arrest and Citations in Grant Jurisdictions

- Florida does not have any Grant Assistance Programs

Washington State Liquor Control Board (a control state)

The Washington Liquor Control Board is organized into 4 regions with 11 field offices throughout the state. There are 71 sworn investigators assigned to the Department's enforcement/compliance functions. There are 14 sworn investigators assigned to the licensing function. There are 7 sworn (5 Investigators, 1 supervisor, and 1 manager) assigned to the Department's non-retail unit.

1 - Licensing - Key Metrics

Metric 1.1 - Number of Permanent License Applications Received

2,840 applications received during 2003. (3,028 approved during.)

Metric 1.2 - Average Time to Process Original Applications, by License Type

60 to 90 days for an application. 180 days for a protested application.¹⁰

Metric 1.3 - Average Time to Process Transfer Applications, by License Type

45 to 60 days for a transfer application.

Metric 1.4 - Number of Permanent Licenses Issued

13,300 permanent licenses as of January 1, 2004.

Metric 1.5 - Number of Special Event Licenses Issued

1,800 during 2003.

Metric 1.6 - Number of Applications Denied and Withdrawn

12 applications denied. 421 applications withdrawn. Total of 433.

Enforcement/Compliance - Key Enforcement Metrics

Metric 2.1 - Number of Investigations Completed

1,272 completed investigations.

Metric 2.2 - Number of Accusation Registered

477 Administrative Violations Notices (AVN)

¹⁰ Protested applications are heard before a three panel board of Commissioners. Washington LCB does not use Administrative law Judges. The three Commissioners hear testimony concerning protested or denied applications and they make the final ruling.

Metric 2.3 - Number of Warning Letters Issued

1,077 written warning letters. 831 verbal warnings.

Metric 2.4 - Number of Premises Visited

34,493 premises visits (many were multiple visits to the same premises)

This includes 5,048 decoy visits which had an overall 19% violations rate for sales to underage minors.

Metric 2.5 - Number of Field Enforcement Hours Worked by Sworn Staff

Could not provide a specific number of hours. Their records indicate 56% of a sworn investigator's time is spent out in the field conducting actual field enforcement investigations.

Metric 2.6 - Number of Arrests and Citations

837 arrests and citations during the 2003 year.

Grant Assistance Program - Key Metrics

Metric 3.1 - Number of Licensing Premises Inspected in Grant Jurisdictions

Metric 3.2 - Number of Licenses and Employees Trained in Grant Jurisdictions

Metric 3.3 - Number of Accusation Registered in Grant Jurisdictions

Metric 3.4 - Number of Arrest and Citations in Grant Jurisdiction

- Washington does not have any Grant Assistance Programs.

Arizona Department of Liquor Licenses and Control (a license state)

Arizona is comprised of three offices, one Headquarters and two field offices (Tucson and Flagstaff). There are 8 non-sworn personnel assigned to the Department's licensing function. There are 22 sworn investigators assigned to the Department's "compliance" function. The Department has a total of 60 employees. Sixteen percent of the Department's budget is for the licensing function. Forty-four percent of the Department's budget is for the compliance functions. One percent of the Department's budget is for the Administrative Hearing function. The remainder of the budget is for administrative and support functions.

Licensing - Key Licensing Metrics

Metric 1.1 - Number of Permanent License Applications Received

1,282 applications during the 2002/03 fiscal year.

Metric 1.2 - Average Time to Process Original Applications, by License Type

65 to 105 days average time to process an original application.

Metric 1.3 - Average Time to Process Transfer Applications, by License Type

60 days average time to process a transfer application.

Metric 1.4 - Number of Permanent Licenses Issued

9,732 permanent licenses. This includes 691 out-of-state supplier licenses and 154 limited out-of-state supplier licenses.

Metric 1.5 - Number of Special Event Licenses Issued

1,220 special event licenses issued during the 2002/03 fiscal year.

Metric 1.6 - Number of Applications Denied and Withdrawn

32 applications were denied or withdrawn during the 2002/03 fiscal year.

Enforcement/ Compliance - Key Enforcement Metrics

Metric 2.1 - Number of Investigations Completed

3,024 compliance investigations were conducted during the 2002/03 fiscal year.

Metric 2.2 - Number of Accusation Registered

756 accusations were refereed to the Office of Administrative Hearings during the 2002/03 fiscal year.

Metric 2.3 - Number of Warning Letters Issued

67 written warning letters were issued during the 2002/03 fiscal year.

Metric 2.4 - Number of Premises Visited

2,525 premises were visited during the 2002/03 fiscal year.

This does not include the 5,140 decoy visits by local law enforcement agencies which detected 971 violations of sales to underage minors.

Metric 2.5 - Number of Field Enforcement Hours Worked by Sworn Staff

This information was not available.

Metric 2.6 - Number of Arrests and Citations

452 arrests and citations were made during the 2002/03 fiscal year.

Grant Assistance Program - Key Metrics

Metric 3.1 - Number of Licensing Premises Inspected in Grant Jurisdictions

Metric 3.2 - Number of Licenses and Employees Trained in grant Jurisdictions

Metric 3.3 - Number of Accusation Registered in Grant Jurisdictions

Metric 3.4 - Number of Arrest and Citations in Grant Jurisdictions

- Arizona does not have any Grant Assistance Programs.

Oregon Liquor Control Commission (LCC) Division of Liquor Control (a control state)

Oregon's LCC is composed of a Headquarters and 11 field offices. Overall staffing for the Oregon LCC is 240. The Regulatory Program has an overall staff of 92. There are 45 sworn "inspectors" (not authorized to carry firearms) and 20 civilian personnel who conduct licensing investigations.

Licensing - Key Licensing Metrics

Metric 1.1 - Number of Permanent License Applications Received

1,429 applications during the 2002/03 fiscal year.

Metric 1.2 - Average Time to Process Original Applications, by License Type

90 days to process an original application (non-protested).

90-120 days to process a protested application.

Metric 1.3 - Average Time to Process Transfer Applications, by License Type

90 days to process a transfer application.

Metric 1.4 - Number of Permanent Licenses Issued

Retail premises licensed- 8,980

Wholesalers/Manufacturers-541

Miscellaneous-1,155

Metric 1.5 - Number of Special Event Licenses Issued

3,303 special event licenses issued during the 2002/03 fiscal year.

Metric 1.6 - Number of Applications Denied and Withdrawn

16 formal denials during the 2003/04 fiscal year.

Withdrawals are not tracked.

Enforcement/Compliance - Key Enforcement Metrics

Metric 2.1 - Number of Investigations Completed

710 enforcement investigations were conducted.

711

Metric 2.2 - Number of Accusation Registered

1,811 accusations registered during the 2002/03 fiscal year.

Metric 2.3 - Number of Warning Letters Issued

417 warning letters were issued during the 2002/03 fiscal year.

Metric 2.4 - Number of Premises Visited

2,035 formal visits to premises by Department personnel.

11,000 observations in licensed premises.

Does not include visits by local law enforcement agencies.

Metric 2.5 - Number of Field Enforcement Hours Worked by Sworn Staff

Average is 1,500 hours per week.

Metric 2.6 - Number of Arrests and Citations

756 arrests and citations were made during the 2002/03 fiscal year.

Grant Assistance Program - Key Metrics

Metric 3.1 - Number of Licensing Premises Inspected in Grant Jurisdictions

Metric 3.2 - Number of Licenses and Employees Trained in grant Jurisdictions

Metric 3.3 - Number of Accusation Registered in Grant Jurisdictions

Metric 3.4 - Number of Arrest and Citations in Grant Jurisdictions

- Oregon does not have any Grant Assistance Programs.

New Mexico Alcohol and Gaming Division (a license state)

The New Mexico Alcohol and Gaming Division has only one office for the entire state, which is based in Santa Fe. The Division has 14 sworn "special agents" that perform both licensing and enforcement functions.

Licensing - Key Metrics

Metric 1.1 - Number of Permanent License Applications Received

Unable to provide a specific number. The Deputy Director estimated 400 to 1000 applications per year.

Metric 1.2 - Average Time to Process Original Applications, by License Type

120 days to process an original application.
120 to 150 days to process a protested application.¹¹

Metric 1.3 - Average Time to Process Transfer Applications, by License Type

120 days to process a transfer application.

Metric 1.4 - Number of Permanent Licenses Issued

Unable to provide the requested information.

Metric 1.5 - Number of Special Event Licenses Issued

Unable to provide a specific number. The Deputy Director estimated 2000 special event licenses per year.

Metric 1.6 - Number of Applications Denied and Withdrawn

Unable to provide a specific number. The Deputy Director estimated 40 applications were denied or withdrawn each year.

¹¹ New Mexico's application process differs from California's. A protest can be filed against an application but the protest is not resolved at the state level. If a protest is received by New Mexico's Alcohol and Gaming Division, the protest is "forwarded to the local governing body" for handling. The state lets the local government make the finding to approve or deny the application based on the protestant's issues.

Enforcement/ Compliance - Key Metrics

Metric 2.1 - Number of Investigations Completed

Unable to provide a specific number. Non-renewals are not counted as an investigation.

Metric 2.2 - Number of Accusation Registered

570 "Administrative Citations" were issued during the 2002 calendar year.

Metric 2.3 - Number of Warning Letters Issued

176 "Warning Citations" were issued during the 2002 calendar year.

Metric 2.4 - Number of Premises Visited

This information was not available.

Metric 2.5 - Number of Field Enforcement Hours Worked by Sworn Staff

This information was not available.

Metric 2.6 - Number of Arrests and Citations

During the 2001 calendar year, 798 citations were issued to licensees and another 169 citations were issued to "servers."

Grant Assistance Program - Key Metrics

Metric 3.1 - Number of Licensing Premises Inspected in Grant Jurisdictions

Metric 3.2 - Number of Licenses and Employees Trained in grant Jurisdictions

Metric 3.3 - Number of Accusation Registered in Grant Jurisdictions

Metric 3.4 - Number of Arrest and Citations in Grant Jurisdictions

- New Mexico does not have any Grant Assistance Programs

Texas Alcoholic Beverage Commission (TABC) (a license state)

Texas ABC has a headquarters office, 7 regional offices (similar to California's ABC's Division Offices), 10 District Offices, and 31 "outpost offices" (similar to ABC's smaller branch offices.). Texas ABC is allocated for 537.5 positions, with 39 "Licensing Processors", 290 enforcement agents, with 225 of those 290 agents being line staff personnel.

Licensing - Key Metrics

Metric 1.1 - Number of Permanent License Applications Received

103,771 applications were received. However, this number includes applications for special event licenses, annual renewal, and permanent licenses. Texas ABC was unable to provide more detailed information at this time.

Metric 1.2 - Average Time to Process Original Applications, by License Type¹²

Texas' goal is to process applications within 14 days. A recent audit determined that only 73.2% of the applications were processed within the 14 days. The audit determined that the remaining applications an average of 45 to 60 days to process.

Metric 1.3 - Average Time to Process Transfer Applications, by License Type

Again, the Texas' goal is to process applications within 14 days. A recent audit determined that only 73.2% of the applications were processed within the 14 days.

Metric 1.4 - Number of Permanent Licenses Issued

93,400, which includes all the special event and one-day licenses.

Metric 1.5 - Number of Special Event Licenses Issued

Unable to provide the specific number.

Metric 1.6 - Number of Applications Denied and Withdrawn

Unable to provide the information.¹³

¹² Discussion with the representative from Texas ABC revealed that they do not have near the number of "protests" that California ABC receives. There were no numbers to support this comment. Texas ABC applications are not normally protested which allows the majority of their applications to be processed without any unnecessary delays. However, California ABC has a greater percentage of its applications protested by local residents and local officials.

Enforcement/Compliance - Key Metrics

Metric 2.1 - Number of Investigations Completed

5,771 formal investigations were conducted. This does not include investigations for annual renewals.

Metric 2.2 - Number of Accusation Registered

2,878 for the 2002 calendar year.

Metric 2.3 - Number of Warning Letters Issued

Unable to provide the information.

Metric 2.4 - Number of Premises Visited

97,063 premises were visited during the 2002 calendar year.

Texas ABC counts a premises visit by each employee. For example, Texas ABC usually has 2 agents that work together, similar to California ABC.

However, when Texas ABC visits one premises, by two agents, it is counted as being 2 visits. California ABC will count one premises, visited by two Investigators, as only 1 visit.

Metric 2.5 - Number of Field Enforcement Hours Worked by Sworn Staff

Unable to provide number of hours. Department statistics revealed that their agents spend 65% of their time out in the field conducting investigations.

The year prior, the percentage of time was 70%. The reason for the decrease of field time was the loss of federal funding for positions which caused a transfer of field agents to training/education functions.

Metric 2.6 - Number of Arrests and Citations

19,654 arrest and citations were made during the 2002 calendar year.

These numbers include operations for "Cops in Shops," "Operation Take Out" which the equivalent of California's "Operation Trap Door" and Minor Decoy operations.

¹³ However, if 103,771 applications were received (including special event licenses) and only 96,228 were issued, then the approximate number of withdrawals and denials (for both permanent and special vent licenses) could be estimated at 7,543.

Grant Assistance Program - Key Metrics

Metric 3.1 - Number of Licensing Premises Inspected in Grant Jurisdictions

Texas ABC statistics are not broken down by grant jurisdictions.

Metric 3.2 - Number of Licenses and Employees Trained in Grant Jurisdictions

Training statistics are not broken down by grant jurisdictions. However, during the 2002 calendar year, training was given to 15,000 retailers and employees. In addition, training was given to 377,500 school age children, 14,100 college age students, and 10,500 local police officers. The remainder of the training was given to civic groups for a total of 460,600 persons trained.

Metric 3.3 - Number of Accusation Registered in Grant Jurisdictions

Texas ABC statistics was not broken down by grant jurisdictions.

Metric 3.4 - Number of Arrest and Citations in Grant Jurisdictions

Texas ABC statistics was not broken down by grant jurisdictions.

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

INVESTIGATOR SEPARATIONS FROM METROPOLITAN OFFICES

(Excludes retirements, dismissals, rejections during probation)

Alameda County (Oakland District Office):

Year	Budgeted Positions	Total Separations*	Percentage Turnover	Transfer to Other Units/Departments	Percentage Turnover
1996/97	8	1	12.5%	1	12.5%
1997/98	9	4	44.4%	4	44.4%
1998/99	9	4	44.4%	3	33.3%
1999/00	9	2	22.2%	2	22.2%
2000/01	9	0	0	0	0
2001/02	8	4	50.0%	4	50.0%
2002/03	8	3	37.5%	3	37.5%

San Francisco County (San Francisco District Office):

Year	Budgeted Positions	Total Separations*	Percentage Turnover	Transfer to Other Units/Departments	Percentage Turnover
1996/97	10	3	30.0%	3	30.0%
1997/98	11	2	18.1%	2	18.1%
1998/99	11	3	27.2%	3	27.2%
1999/00	11	4	36.4%	1	9.0%
2000/01	11	2	18.1%	1	9.0%
2001/02	11	3	27.2%	2	18.1%
2002/03	10	2	20.0% %	1	10.0%

Santa Clara County (San Jose District Office):

Year	Budgeted Positions	Total Separations*	Percentage Turnover	Transfer to Other Units/Departments	Percentage Turnover
1996/97	7	0	0%	0	0%
1997/98	8	3	37.5%	3	37.5%
1998/99	8	4	50.0%	3	37.5%
1999/00	8	2	25.0%	1	12.5%
2000/01	8	0	0	0	0
2001/02	6	3	50.0%	3	50.0%
2002/03	6	1	16.6%	1	16.6%

Orange County (Santa Ana and Cerritos District Offices):

Year	Budgeted Positions	Total Separations*	Percentage Turnover	Transfer to Other Units/Departments	Percentage Turnover
1996/97	28	6	21.4%	6	21.4%
1997/98	30	8	26.6%	5	16.6%
1998/99	30	9	30.0%	6	20.0%
1999/00	30	7	23.3%	3	10.0%
2000/01	29	1	3.4%	0	0
2001/02	27	4	14.8%	2	7.4%
2002/03	27	2	7.4%	1	3.7%

APPENDIX A

**Los Angeles County (Van Nuys, LA/Metro, El Monte, Inglewood, and
Long Beach District Offices):**

Year	Budgeted Positions	Total Separations*	Percentage Turnover	Transfer to Other Units/Departments	Percentage Turnover
1996/97	42	5	11.9%	3	7.1%
1997/98	45	13	28.8%	8	17.7%
1998/99	45	11	24.4%	9	20.0%
1999/00	44	12	27.3%	6	13.6%
2000/01	44	0	0	0	0
2001/02	37	8	21.6%	7	18.9%
2002/03	34	2	5.8%	2	5.8%

*Includes voluntary separations, transfers within ABC and other State agencies.

Activity	Work-load or Output	Performance Measures	FTE Budget	FTE Actual	Mandate	Total Cost
LICENSING			250.3	227	ABC Act	\$22M
Issuance of permanent licenses	12,259 12,240 1,451	Number of permanent license applications received Average time to process original applications ¹⁴ Average time to process transfer applications ¹⁵ Number of licenses issued, permanent Number of license applications withdrawn and denied				
Issuance of special daily licenses	39,145	Number of Licenses issued, special daily				
COMPLIANCE/ENFORCEMENT			221.9	192	ABC Act	\$19M
Investigations conducted	7,411	Number of investigations completed				
Accusations filed	1,967	Number of accusations registered				
Warnings	641	Number of warning letters issued				
Field enforcement	80,478.7	Number of field enforcement hours worked by sworn staff				
Arrests and citations	4,496	Number of arrests and citations			Yes ¹⁶	
GRANT ASSISTANCE PROGRAM			Not broken	out	None	
Premises inspections in grant jurisdictions	1,512	Number of licensed premises inspected in grant jurisdictions				
Licensee training in grant jurisdictions	2,819	Number of licensees and employees trained in grant jurisdictions				
Accusations filed in grant jurisdictions	810	Number of accusations registered in grant jurisdictions				
Arrests and citations in grant jurisdictions	11,412	Number of arrests and citations in grant jurisdictions				

APPENDIX B

¹⁴ Average time to process originals; Calendar Year 2002

Type 20 – 103 days; Type 21 – 162 days; Type 40 – 122 days; Type 41 – 98 days; Type 47 – 139 days.

¹⁵ Average time to process transfers; Calendar Year 2002

Type 20 – 86 days; Type 21 – 81 days; Type 40 – 79 days; Type 41 – 73 days; Type 47 – 105 days.

¹⁶ Submitted to DOJ for their Part I and II criminal offense reports, which goes to the California Legislature, which is used in part to calculate staffing levels and needs